

The NATIONAL UNDERWRITER



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to the strength of the Insurance Industry*



GENERAL REINSURANCE GROUP

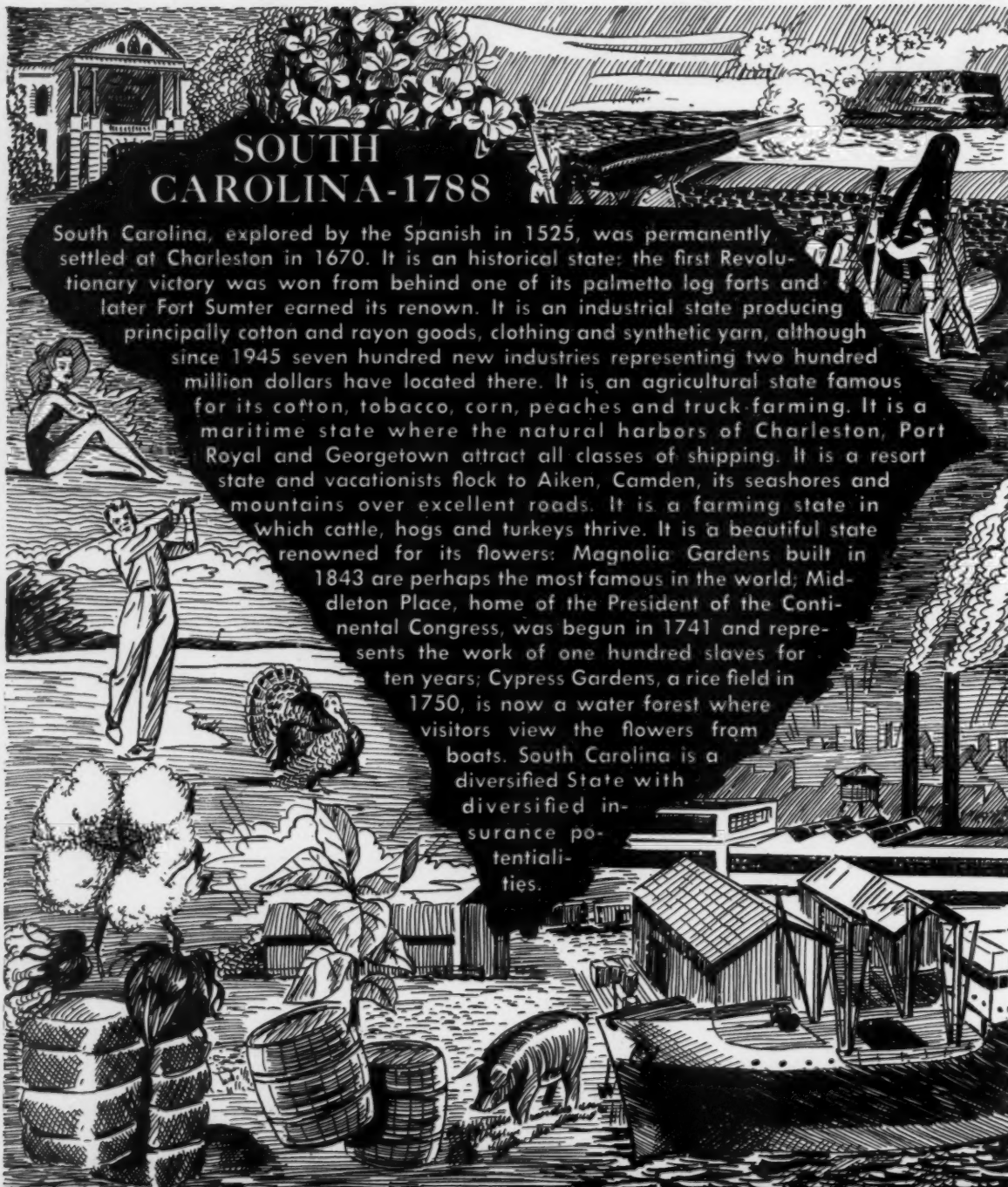
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Surety

NORTH STAR REINSURANCE
CORPORATION
Fire • Inland Marine
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90 JOHN ST., NEW YORK 7

THURSDAY, JUNE 23, 1949



SOUTH CAROLINA-1788

South Carolina, explored by the Spanish in 1525, was permanently settled at Charleston in 1670. It is an historical state: the first Revolutionary victory was won from behind one of its palmetto log forts and later Fort Sumter earned its renown. It is an industrial state producing principally cotton and rayon goods, clothing and synthetic yarn, although since 1945 seven hundred new industries representing two hundred million dollars have located there. It is an agricultural state famous for its cotton, tobacco, corn, peaches and truck-farming. It is a maritime state where the natural harbors of Charleston, Port Royal and Georgetown attract all classes of shipping. It is a resort state and vacationists flock to Aiken, Camden, its seashores and mountains over excellent roads. It is a farming state in which cattle, hogs and turkeys thrive. It is a beautiful state renowned for its flowers: Magnolia Gardens built in 1843 are perhaps the most famous in the world; Middleton Place, home of the President of the Continental Congress, was begun in 1741 and represents the work of one hundred slaves for ten years; Cypress Gardens, a rice field in 1750, is now a water forest where visitors view the flowers from boats. South Carolina is a diversified State with diversified insurance potentialities.



CRUM & FORSTER

MANAGER

110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh. Organized 1868

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH CAROLINAS DEPT. DURHAM, N. C.



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N. Y. Turns Down Both N.A. and I.M.I.B. on Rate Cuts

**Holds 25% Too Much,
10% Too Little; Demands
New I.M.I.B. Filing**

NEW YORK—Deputy Superintendent Walter F. Martineau of the New York insurance department has denied both the application of the North America companies for a 25% deviation on the personal jewelry floater rates and the 10% reduction proposed by Inland Marine Insurance Bureau in rates on this floater and the schedule jewelry portion on the personal property floater.

Mr. Martineau held that the evidence presented by North America would sustain a deviation of approximately 20% from existing rates but not the 25% requested. Since the department's authority is limited to acceptance or rejection it was necessary to reject the application.

Calls for New I.M.I.B. Filing

The I.M.I.B. reduction was rejected on the ground it is inadequate and that bureau was directed to submit a new filing "forthwith," adjusting rates in accordance with the indications of the evidence presented.

The I.M.I.B. filing was made just prior to the department hearing on the North America's deviation and I.M.I.B.'s opposition to it, and proved to be a surprise. Usually rate making bodies confer informally with department personnel before formally filing rate changes, to learn about what the department will accept. Thus most of the time the lengthy hearing procedure is avoided.

The department is not permitted by section 185(4) of the insurance law to modify an application for a deviation, but is compelled to accept or reject it. Mr. Martineau's opinion stated. This was a point vigorously asserted by Joseph Bill of I.M.I.B. at the hearing.

One Question By Passed

Mr. Martineau did not pass on whether the department is required to reject the deviation for another reason, that the proposed deviation was confined to personal jewelry insurance written under the personal jewelry policy whereas the data presented in support of the deviation also embraced scheduled jewelry insured under the PPF. Mr. Bill argued for rejection on this ground. The department is required by section 180(1) of the insurance law to interpret liberally the provisions of the rating article, including the deviation section, and for that reason this denial of the proposed 25% deviation is without prejudice to renewal of an application by North America for a deviation in a form and at a rate supported by the evidence, the decision stated.

To eliminate any misunderstanding as to the new filing which he directed I.M.I.B. to make, Mr. Martineau rejected the following statement in the bureau's filing letter: "The nature of inland marine insurance is such that no general rules respecting permissible loss ratios or profit and catastrophe factors may be made applicable to the business in general or uniformly applied to the many classes comprising the inland marine portfolio."

Ohio Multiple Line Bill Hits Surprise Snag

COLUMBUS—The multiple underwriting bill has been passed by the Ohio house and has been recommended by the senate insurance committee. However, the rules committee of the senate is holding back the bill, and will not let it go to the floor of the senate for consideration. Conferences are to be held this week in an effort to have the bill reported out.

This unexpected development is causing much perturbation in Ohio insurance circles and elsewhere. This is the fourth largest state in the country, from an insurance standpoint and it had been taken for granted that at this time it would join the ranks of those states that are permitting full multiple line underwriting. The development of this snag has come as a surprise and has taken advocates of the measure off their feet. Those favoring the bill feel that it is an absolute necessity; that if it does not pass it will mean that this very important insurance state will be without a multiple measure and this will result in loss of business to the domestic companies, a deprivation of broader policy provisions to the citizens and it will mean that many interstate risks will not be able to be written on a multiple line basis.

A bill to prohibit the sale of inflammable Christmas decorations has passed the senate. The house judiciary committee has recommended a bill which requires flame-proofing of tents used for public gatherings. The house insurance committee has recommended a senate bill to prohibit coercive practice in sale of insurance, and has referred to a subcommittee the fair trade practice act.

Fire Rates Descend in Alabama

Alabama Inspection Bureau announces rate reductions effective July 1 in accordance with the order of the Alabama department that an annual reduction in fire premiums of \$1,225,837 be put into effect.

The classes affected are banks and offices, churches and Sunday schools, dwellings, hotels, mercantile and public garages. The reductions range from 5 to 10%.

Alabama Inspection Bureau is reviewing rates on sprinklered non-manufacturing risks.

This is the third southern state to get rate reductions recently, the others being Tennessee and Florida.

Utica Club Gets Award

Walter Meiss, U. S. manager of London Assurance, presented a plaque to Insurance Agents Club of Utica, N. Y., for its work in the field of public relations. The presentation was made to Andrew C. Treiber, club president, at the club's annual outing.

It is incumbent on any rating bureau, he said, in making or revising rates on the basis of loss experience, to determine and to state the provision in such rates for losses. Data may not be available in the desired detail to determine precisely what would be reasonable provisions for expenses and for profit; but it is necessary in such cases that provisional determinations be made using such data as may be available as a guide in the exercise of judgment.

He suggested that any renewal of the North America application for a deviation should, if possible, take into account the new filing submitted by the bureau.

May Fire Losses Down 8.6%

May fire losses totaling \$54,162,000 represent a decrease of 8.6% from May, 1948, and constitute the fifth successive month this year in which losses have declined in relation to the same months in the previous year.

The National Board states that the first five months' loss total is now \$297,020,000 which is \$34,754,000 or 10.4% less than losses of \$331,774,000 reported for the first five months in 1948. The May figure is 2% below the losses of April.

Losses for the first five months of 1949 and the two preceding years are:

	1949	1948	1947
Jan. ...	\$57,926,000	\$63,010,000	\$57,180,000
Feb. ...	\$62,424,000	\$72,521,000	\$64,247,000
Mar. ...	\$67,218,000	\$74,236,000	\$72,435,000
Apr. ...	\$55,290,000	\$63,751,000	\$68,029,000
May ...	\$54,162,000	\$59,256,000	\$66,545,000
	\$297,020,000	\$331,774,000	\$318,436,000

W. C. Cheek Is New N. C. Commissioner

RALEIGH, N. C.—Waldo C. Cheek, 36-year-old Asheboro insurance man and attorney, has been appointed North Carolina insurance commissioner to succeed William P. Hodges, who becomes controller with Continental Life of Washington, D. C.

The appointment was by Gov. Scott and will run to the next general election in November, 1950. Mr. Hodges had been reelected in the elections of last November.

A native of Asheboro and a graduate of Wake Forest College, where he obtained a law degree, the new insurance commissioner has operated an insurance agency and practiced law at Asheboro since 1936.

Parrott General Manager of Secured Companies

R. B. Parrott has been appointed general manager of Secured Fire & Marine and Secured Casualty of Indianapolis, pending further action, in view of the retirement of Norman T. Robertson as president of those companies. Mr. Parrott is president of Secured Underwriters, board chairman of Secured F. & M., and executive vice-president of Secured Casualty.

Fla. School Loss Settled

Final settlement of the fire loss on the Junior High School at Palm Harbor, Fla., will amount to \$33,000 on building and \$4,000 on furnishings, according to Floyd Christian, county superintendent of public instruction. The building had an insurable value of \$100,000. Christian said that the cost of complete coverage on all school buildings would be prohibitive.

Owen Dominion Board Head

J. V. Owen, manager for Canada of Guardian Assurance of London, has been elected president of Dominion Board of Insurance Underwriters. First vice-president is J. E. Haskins, Norwich Union, Toronto; second vice-president, J. H. Harvey, Great American, Toronto.

Pick Cleveland Trustee

The seventh district of Ohio Assn. of Insurance Agents will hold a meeting at Cleveland June 29 to nominate a trustee for the state association. He will succeed John W. Barrett, whose term will soon expire. The annual meeting of the state association will be held at Dayton, Oct. 17-18.

Malone Gets Show Cause Order in Move to Block No. Am. Cut

**Pa. Commissioner
Also Sets Hearing Date
on Additional Deviations**

Commissioner Malone of Pennsylvania has filed an answer in Dauphin county court to exceptions taken by Globe & Republic of the Corroon & Reynolds group to his approval of rate reductions by North America in Philadelphia and suburban territory and in Allegheny county.

Mr. Malone filed a petition for a rule to show cause why an appeal from his approval of the North America rate reduction should not be dismissed. The appeal had been taken June 13 by Globe & Republic. Mr. Malone's petition contended that Globe & Republic had failed to appear at the Feb. 7 hearing on the North America rate reductions and had failed to show it was an aggrieved party. The petition alleged that Globe & Republic was one of 52 companies which had requested a hearing before the commissioner pursuant to their complaint against Mr. Malone's approval of fire rate reductions by North America companies. The court granted the petition and issued a rule which is returnable July 18.

Mr. Malone has fixed July 7 at Harrisburg for a hearing on the complaint which had been presented to him June 10 by 52 fire companies, which asked the commissioner to suspend his approval of the North America rate reduction. Mr. Malone advised such companies that at such hearing they may present evidence to support their complaint. Also Mr. Malone fixed dates for hearing on applications for fire rate reductions by 11 insurance companies, they being Home, Fire Association companies, Phoenix of Hartford group and Chubb & Son fleet.

Mr. Malone announced that the reductions requested by these companies and the opposition to the reduction already granted to North America would in no way interfere with nor delay the investigation into the entire fire insurance rate structure in the state.

Agency Has Two V-P's

Robert S. Odle and Daniel L. Morgan have been named vice-presidents of the Moore & Wright Co. agency, Port Huron, Mich. Mr. Odle is in charge of sales and special services and Mr. Morgan in charge of personal accounts. The former has been with the agency for a year and a half and formerly was with the Mill Mutuals Agency. Mr. Morgan was field supervisor of Aetna Casualty at New York before going to Port Huron in 1946.

Anderson Hail Special

Robert P. Anderson has been named hail department special agent for Fireman's Fund in Minnesota and North and South Dakota. He will assist Special Agent L. A. Rutherford and have headquarters in the Plymouth building, Minneapolis.

Mr. Anderson graduated from North Dakota State Normal College and after two years in the navy became a teacher and coach with public school system. He has been with the western department adjusting staff since 1947.

Rodda Explains Important Role of Adjusters in Subrogation Work

Recovery by way of subrogation is one of the most important phases of adjustment and investigation, D. W. Rodda, general adjuster of National Union Fire, said in his address before the annual meeting of National Assn. of Independent Insurance Adjusters at Detroit. He stated that procedures adopted by independent adjusters have a great bearing on the success of recovery and it behooves the adjuster to think of subrogation immediately he starts to investigate a loss.

Mr. Rodda emphasized that subrogation should not be commented upon briefly in a special paragraph and left for follow-up. Valuable time and good results are often lost due to such a procedure. The time to actively prosecute subrogation recovery is at the beginning or during the adjustment.

It is significant that stock company owned bureaus have set up home office controlled salvage and subrogation divisions, he said. He mentioned that in some sections of the country casualty, mutual and reciprocal carriers have adopted an arbitrary attitude toward the fire companies in their subrogation claims by offering only 50% regardless of the fact that liability was unquestionable. A central subrogation division has been successful in combating such tactics by advising all companies of the situation and suggesting concerted and continual resistance.

Can Produce Big Income

While subrogation recoveries are not generally considered within the "income" category, Mr. Rodda declared that in a normal operation of insurance there should be produced a definite and continuous recovery on paid losses. Production and maintenance of subrogation income is as important as the protection of any other income and in a year's time, the amount brought back to a company's assets reaches an astounding figure. By the same token, he pointed out that a lack of uniform and properly organized procedure can mean that much money is unrecovered or otherwise frittered away.

Adjusters have a great deal of responsibility in uncovering and pursuing subrogation possibilities, Mr. Rodda said. In determining the facts of a loss, the adjuster should be alert to discover subrogation possibilities and build up a case fortified with statements, photographs and other evidence.

Tell Insured Possibilities

The subject of subrogation recovery should be thoroughly explained to the insured so that he will have an understanding of his obligations under the policy and his own interest or equity in any recovery by virtue of a deductible or other circumstance. Mr. Rodda emphasized that explaining this matter to the insured is of the utmost importance because frequently he is apprised only in a perfunctory manner and later when his cooperation is needed, it is not always so easily obtainable.

The companies themselves may be responsible for the laxity of some attorneys and adjusters in following subrogation cases. The quicker an adjuster can get a case with subrogation possibilities into the hands of an attorney, the greater the chance of recovery. When an insured gives facts indicating recovery possibilities exist that is the most propitious time to employ an attorney and have him immediately interview the insured. This is good psychology, he said, because an insured is far more enthusiastic about blaming the other fellow prior to the time that he has been paid for his loss than he is after it has been settled. Such action also provides an attorney with the opportunity of securing first hand information while it is still fresh in the insured's mind.

Mr. Rodda pointed out that larger and more spectacular subrogation items are welcomed by attorneys generally and

are closely followed by all concerned. The inadequacy of procedure is with the medium and smaller losses which do not always attract attorneys because of the contingent basis of remuneration.

It is hardly reasonable to assign subrogation cases to attorneys on a contingent basis unless they are given the good with the bad. Mr. Rodda stated that if the case is given to the attorney as soon as humanly possible, there is assured a prompt recovery in full on the so-called "certain" or easy cases, and the doubtful cases can be closed at a higher value. Since the doubtful cases are by far the greatest in number, the attorney's interest in them should be actively fostered. If they increase in value, the ultimate recovery will far more than offset giving a few certain cases to the attorney.

Must Search for Lawyers

Competent lawyers interested in subrogation work are not readily available in many areas. It is up to the adjusters to comb their territory and find attorneys qualified and willing to do the job. Mr. Rodda observed that this probably would involve consultation and cooperation with company field men and other adjusters so that the attorney can be given a reasonable proposition that will be profitable in spite of the contingent basis. Mr. Rodda added that his own experience has proved over a long period that better results are obtained from attorneys who handle a volume of recovery business than from those who handle only an occasional case.

Organized subrogation activity is far from an accomplished fact, and there is much spade work to be done, he said. The insurance industry has set up many bureaus to handle the various problems and this might suggest the possibility of a company-owned or supported central bureau of subrogation with experienced attorneys to operate nation-wide in a concentrated attempt to reap the maximum harvest. Subrogation items could be graded into categories and handled by specialists. Pressure could be brought to bear upon attorneys to put forth greater effort and not give up so easily when they meet minor resistance. Mr. Rodda noted that attorneys need guidance and help from the companies which is spread thin on the individual company setup. A central bureau would be endowed with power enabling it to control assignments and the general conduct of a case.

Savings Banks Insurance Forum Annual Dinner

NEW YORK — Approximately 110 members and guests attended the annual dinner of Savings Banks Insurance Forum. Among the guests were Thomas D. Hughes, secretary Fidelity-Phoenix; Harry Frost, president Hoey, Ellison & Frost agency, and L. E. Falls, director Insurance Institute of America. The first presentation of the award for outstanding service to a forum member, contributed by Seamen's Bank for Savings, was presented to William F. Owens, insurance manager of Emigrant Industrial Savings Bank, by Edgar C. Edgerton, vice-president of Seamen's.

It was announced that Frederick G. Baker, insurance manager Manhattan Savings Bank, recently was appointed chairman of the insurance committee of National Assn. of Mutual Savings Banks. He is chairman of the insurance committee of the state association.

The seven rules requisite to proper personnel relations outlined by Miss Bess Bloodworth, trustee Brooklyn Savings Bank, the principal speaker, were reasonable security of job, fair wages, proper working conditions, adequate health policies, adequate old age provision, freedom from unfair prejudices of supervision and fair dismissal policy.

National Fire Head Office Changes

Cameron Winslow, head of National Fire's investment department, is relinquishing the title of treasurer, but is retaining the title of vice-president and continuing as the executive officer in charge of the investment department with increased responsibilities.

Holly W. Stevenson, who has been secretary and assistant treasurer, will be secretary and treasurer, and Arthur F. Davis, Jr., was elected assistant treasurer.

Mr. Winslow was educated at Yale and served in the marines in the first war. After experience with investment counsel organizations and with Fulton Trust Co. of New York, he joined National in 1929 as head of its investment department.

Mr. Stevenson is a graduate of Georgetown College in Kentucky and Harvard business school. He was professor of economics at Georgetown, assistant cashier of Winchester Bank, Winchester, Ky., and investment analyst of Security Trust Co., Lexington, Ky. He joined National Fire in 1930 as assistant secretary of the investment department; in 1940, he was elected assistant treasurer; and in 1944, became secretary in addition to continuing as assistant treasurer. He is a member of the budget committee of Greater Hartford Community Chest.

Mr. Davis graduated at Princeton in 1936 and at Harvard business school in 1938. After experience with Bank of New York, he joined the investment department of National in 1942. During the war he was an army captain.

Hoosier Ganders Gather in French Lick Rice Fields

FRENCH LICK, IND.—George R. Pritchett of American is being advanced to most loyal gander of Indiana Blue Goose at the annual meeting here in conjunction with the convention of Indiana Fire Underwriters Assn. Walter G. Dithmer of Western Underwriters Assn., Chicago, becomes supervisor; J. F. Halladay, Western Adjustment, custodian; Grattan H. Downey, North British, guardian, and H. B. Skelton, Rough Notes Co., continues as wielder. Frank J. Welch starts up the line as wielder.

J. A. Bowden, Springfield F. & M., was chairman of the nominating committee. More than usual interest centered in this year's meeting because next year the annual meeting of the grand nest will be held at French Lick and some preliminary planning was indulged in by the officers of the Indiana pond. It is believed that this will be an ideal meeting place for the grand nest. J. Ray Hull, American States, will preside as most loyal grand gander, for which office he is in line for election at the grand nest meeting at Seattle this year. Mr. Hull presented the past most loyal gander pin to retiring Most Loyal Gander Jas. H. Gibson, American States.

Hold Four-County Rally

Seventy agents attended a local board meeting for four counties at Newark, O., June 16. Harold C. Burrell, president Delaware County Assn., presided. Carl A. Gluck, Youngstown, president Ohio Assn. of Insurance Agents, spoke on "Your Association" and Arthur M. O'Connell, president Cincinnati Fire Underwriters Assn., on "Eternal Vigilance, the Price of Survival." Secretary T. M. Gray of the Ohio association talked on "Problems and Goals" and insurance legislation was discussed. Hoyt Whitney, vice-president of the Delaware group, also spoke. The meeting closed with a round table discussion.

Paul V. Cottingham, Omaha, local agent, has been elected chairman of the Douglas county chapter of the Red Cross.

Valuation Date Shifted to Dec. 31 by Subcommittee

NEW YORK—No substantial changes are recommended for 1949 by the subcommittee of the committee on valuation of securities of National Assn. of Insurance Commissioners. The subcommittee, whose report will be acted on by the parent committee and N.A.I.C. at Seattle, decided to include again a "yield test" in determining eligibility for amortization of bonds. At the same time, however, it was conceded that the committee should plan in future years to adopt a more conservative approach.

The subcommittee also recommended that the date for valuation be returned to Dec. 31 from Dec. 1 where it has been since about 1938. This may make the book of valuation of securities somewhat later than about Jan. 25, when it has been coming out each year. Previously the committee had the rule that securities acquired in December were to be figured at cost. With the change in date to Dec. 31, this is no longer necessary and has been eliminated. The Dec. 31 date will also mean that the book can include all securities; on the Dec. 1 valuation the December-purchased securities were left out if they were new issues.

Yield Test Modified

The yield test for corporate bonds was somewhat modified. Such bonds are regarded as amortizable if the yield to maturity does not exceed 1.70% plus the yield for comparable maturities of fully taxable unrestricted U. S. Treasury obligations. The yield last year was 1.80 plus the government's yield.

The tightening of the yield test, which is foreshadowed in the subcommittee's recommendation that it be made more conservative, has been debated often. This test has permitted amortization of bonds that go almost to the fifth grade, where they would be valued at market, and permits amortization treatment of bonds that include speculative elements. The first four grades are looked upon as "investment" securities.

Details of Enlarged Budget

The report publishes a proposed enlarged budget for the committee office. The total is \$150,200 divided \$20,000 for an economist; \$9,250 for executive secretary (this amount is yet to be determined); three senior securities analysts at \$12,000; three assistant analysts at \$6,000; one junior analyst at \$3,500; three stenographers at \$3,000; one typist at \$2,600; an assistant office manager at \$3,750. In addition there is a pension plan at \$10,000; social security \$1,500; rent \$15,000; furniture and fixtures \$5,000; traveling expense \$5,000; stationery, office maintenance and supplies \$4,000; executive secretary bond \$100; statistical services \$500; postage \$1,000; telephone and telegraph \$500; printing \$4,000; audit \$500, and moving \$1,000.

The report reprints the legislation that permits assessments on domestic life insurers for an amount not to exceed \$250,000 for the committee office, that has been passed in New York, Pennsylvania, New Jersey, and that was pending in Massachusetts as of May 20.

May Assess Property Insurers

Although life companies are designated for assessment, eventually the idea apparently is that fire and casualty companies should bear a part of the burden of the enlarged budget of the valuations committee.

The report comments at length on the growth in private placements by life companies and the need of the enlarged budget and an expanded staff of the committee to handle the problem presented by this type of security. As of Dec. 31, 1941, according to the re-

(CONTINUED ON PAGE 13)

Duxbury Word

E.U.A. Again Expected

A note from George H. Duxbury, president of the North American Underwriters Association, said that the association had decided to stabilize the industry in the volume of business when more were written.

More than one million policies were written in 1948, Mr. Duxbury said, while the industry had initiated practical business to many direct.

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Duxbury Utters Word of Caution

E.U.A. President Warns Against Temporary Expedients

A note of caution was voiced by George H. Duxbury, U. S. manager of the North British group, in his presidential address before the midyear meeting of the Eastern Underwriters Assn. at Manchester, Vt. Values have been stabilized or are decreasing, and the industry is now endeavoring to maintain volume on a comparable level with 1948, when more than \$2 billion of premiums were written by stock fire companies.

More than 100 attended the affair. With the return of tenser competition, Mr. Duxbury suggested, the business should discourage actions which, while they might appear to hold immediate competitive advantage, could initiate practices that would subject the business to criticism and attack from many directions.

Reemphasized Fundamental Principles

He reemphasized some fundamental principles of the business. It is a risk bearing one, always subject to catastrophic losses. Rates have returned very modest underwriting profits over the years, compared with other businesses, and in the past five years the over-all result was a 2.5% underwriting loss despite a profitable 1948. Stockholders, agents and public look to the business for stability in dealing with matters affecting their welfare, security and integrity of contract. Hence, he adjured his listeners to keep their sights on long term objectives and not to be tempted into temporary expedients not dictated by good executive judgment. Unfair competitive measures could get out of hand and prove demoralizing.

He urged cooperation between supervisory authorities and company management to get the best job done, and said the distinction between regulation and management is clear, as has been upheld by the U. S. Supreme Court, notably in *Missouri vs. Public Service Commission* and *Banton vs. Belt Line Railway Corp.* In those cases, the court reminded the state it is not the owner of the property and not clothed with general power of management incident to ownership; that the state does not enjoy the freedom of an owner, management and right to control the business policy of the company belong to its owners.

Company-State Cooperation

Mr. Duxbury thinks intelligent cooperation between states and companies in rating as well as other matters should lead to continued prosperity of free enterprise.

It is important that young technical talent, now available through graduates from technical schools, be selected and trained carefully for future operations of rating organizations, he said. The topic has been explored with rating managers of the rating organizations in E.U.A. territory, and a constructive program is expected to develop.

E.U.A. has undertaken studies of consolidations and mergers in connection with overlapping activities, Mr. Duxbury said. Over the years there has been a tendency to set up new organizations to handle new phases of the business. Under multiple line operation which will become increasingly important it will be necessary to eliminate duplication wherever possible.

Nationwide Treatment

He emphasized need of inter-regional consideration of the many matters of nationwide significance. Progress has been made in recommendations for uniform treatment of business interruption

(CONTINUED ON PAGE 13)

Clark Elected to Head W.I.B. for 16th Term

Herbert A. Clark, vice-president of Loyalty group was reelected president of Western Insurance Bureau at the annual meeting last week at Chicago. Mr. Clark has been at the helm of the organization since 1935 and also served as president from 1926 to 1928.

Other officers reelected are: Vice-president, Charles D. James, Northwestern National; treasurer, W. S. Whitford, Millers National; assistant treasurers, A. A. Krueger and Elmer A. Domke, Millers National.

Fred C. Schadt, who has been secretary for more than 25 years, but who has been at the Hinsdale Sanitarium for 18 months as a result of a heart attack, was named secretary emeritus, and Miss T. L. Magruder was elevated to secretary from assistant secretary.

Ralph S. Danforth, who was retired from Millers National because of ill-health, was elected an honorary member.

The directors of W.I.B. are Messrs. Clark, James and Whitford, and F. Glenn Breen, Standard of Trenton; Robert E. O'Rourke, Dubuque F. & M.; J. C. Hiestand, Ohio Farmers, and Lloyd W. Brown, Loyalty group. Mr. Hiestand is chairman of the nominating committee.

A memorial to the late C. J. Schrup, president of Dubuque F. & M., was read by Mr. Hiestand. Mr. O'Rourke was elected a member to succeed Mr. Schrup, and James G. Thumley, vice-president of Illinois Fire, was elected a member to succeed Mr. Danforth.

Mr. Clark, reporting as chairman of the board, stated that W.I.B. has been accepted as an advisory organization in all W.I.B. states except Missouri and Oklahoma.

Three Minn. Regionals Meet

Three Minnesota regional agents associations met the past week. The West Central association met at Montevideo and elected M. Connolly of Danvers, president; Melvin C. Wiik of Montevideo, vice-president and E. Mosher, Benson, secretary-treasurer. The Southern Minnesota association met at Austin with Al Johnson as the speaker and the Lake Regional at Walker.

Jones in Oklahoma Field

Perry R. Jones has been appointed to succeed D. E. Waggaman as special agent for Commercial Union under H. E. Pate, state agent at Oklahoma City. Mr. Waggaman is now state agent at Denver, covering Colorado, New Mexico and Wyoming. Mr. Jones is from Tulsa, where he was with the Joe H. West agency for four years.

Ill. Leaders Confer on Legislation

As the strenuous legislative season in Illinois is drawing to a close, the chairmen of the house and senate insurance committees are here conferring with Insurance Director Hershey on measures upon which action is yet to be taken. Among the bills that have already passed are multiple line underwriting measure and one bringing credit insurance under the rating laws.

At the left is Arthur J. Bidwill of River Forest, who has been chairman of the senate insurance committee 12 years. He has been elected to the senate continuously since 1934 and is president of Chicago Stationers, Inc., office supply house.

In the center is John J. Gorman, chairman of the house insurance committee, and who has been in the assembly since 1938. He is executive vice-president of the George Herrmann & Co. agency of Chicago. To the right is Harry B. Hershey, who in private life is of the law firm of Hershey & Bliss at Taylorville, Ill. He was at one time attorney and liquidator for the liquidation division of the department.



Hopps Answers Downey's Letter to Commissioners

LOS ANGELES—The California assembly has placed in its inactive file, the resolution for a legislative investigation of Commissioner Downey's seizure of the California business of Rhode Island and Pioneer Equitable. This is apparently fatal, as the assembly is scheduled to adjourn June 28.

Stewart B. Hopps, chairman of Rhode Island, has made public an answer to the lengthy letter that Commissioner Downey of California sent to the commissioners of other states regarding the California action in bringing about the appointment of a conservator for that company. Mr. Downey said that he was writing his letter to counteract the publicity that had been given to Rhode Island's claim of unwarranted, ill-considered and untimely action on the part of California.

Mr. Downey said that the affairs of Rhode Island have been under scrutiny and have been a source of concern to the California department for nearly four years. He said last year he was in almost continuous touch with commissioners of the states that were most closely involved and attended many conferences. He said he had no reliable data on the condition of Rhode Island "since the official statements . . . contained obvious defects that could not be readily reconciled." He expressed the belief that the commissioners attending the conferences felt that Rhode Island was in questionable financial condition and that the practices of the management in regard to inter-corporate financial and reinsurance transactions constituted a definite hazard. He said that Rhode Island had recently withdrawn "under compulsion" from Connecticut, Minnesota and New York.

Tried to Get Examination

Mr. Downey said that on April 22, 1948, he urged a convention examination be conducted and he repeated the suggestion in July, and again on Sept. 2, but no action was obtained. Since September of last year Rhode Island has been under examination by the California department. Concurrently, he said, examinations were in progress by the Rhode Island, Pennsylvania, Colorado and Indiana departments, as well as by firms of public accountants. Mr. Downey said none of the examiners or accounting firms except the Rhode Island examiner would have certified to a financial statement and the latter produced a statement as of Sept. 30, 1948 which was so qualified on almost every item as to make it of little help.

Last October, he said, an interim report was submitted by the Rhode Island, Pennsylvania and Indiana departments.

He said this did not contain a financial statement but disclosed transactions that could not but cause grave concern.

On Sept. 10, 1948 Mr. Downey advised the Rhode Island and Pennsylvania commissioners that, pending clarification of the Rhode Island's affairs, he would press to have the company cease writing new business in California. He said he was unable to get Rhode Island to assent, but Pioneer Equitable did cease writing.

Rhode Island, about March 1 of this year, filed a verified statement showing a surplus to policyholders of \$2,025,717. This he said, showed a loss of surplus of \$2,830,926 in a three year period and \$1,369,298 in 1948 alone.

Downey Makes Adjustments

The California department made a number of adjustments, Mr. Downey said. Rhode Island had ceded to Lloyds premiums of \$3,810,784 under an arrangement whereby Rhode Island received a commission of 4% less than the difference between the loss ratio and 100% up to a loss ratio of 75%. Lloyds guaranteed a minimum commission of 25%. The date of the first settlement is March 31, 1950. He said he was told by Rhode Island that the 1948 statement was set up on the basis of a commission due Rhode Island on this reinsurance of 46%. Mr. Downey contended that Rhode Island could not create an asset in the form of a commission due from Lloyds on the basis of an assumed loss ratio for a period not yet completed. Hence the reduction in the Lloyds commission taken in the statement from 46% to 25% creates a reduction in surplus of \$800,264. Then Mr. Downey wrote down the securities \$26,716.

Then Mr. Downey said he made further adjustments on account of the Rhode Island's agreement with Pioneer Equitable. Among the considerations received by Rhode Island for the reinsurance of Pioneer Equitable's business were 4% notes of Pioneer Equitable due in 1954 in the amount of \$379,500. Mr. Downey eliminated this as an admitted asset.

Erases Large Item

Pioneer Equitable turned over to Rhode Island 259,213 shares of Rhode Island common stock at an agreed valuation of \$1,330,000 and Mr. Downey erased that item. The cession to Rhode Island of the insurance business of Pioneer Equitable resulted in automatic reinsurance by Lloyds of 50% of the total so ceded upon which Rhode Island would become entitled to a minimum commission of 25% or \$183,875. Mr. Downey said the total of the obligation assumed by Rhode Island and the securities transferred by it to P. E. exceeded the assets received by \$908,066.

The effect of all these adjustments according to Mr. Downey, is to create an impairment of capital of \$734,954. Also he contended that there are other items that may increase the alleged impairment. He also complained of the practice of entering into management agreements with concerns in which officers or employees of the company, past or present, had a substantial or controlling interest; he objected to the writing of excessive amounts of insurance in comparison with the capital and surplus and then reinsuring in undue proportion. He took exception to the reinsurance of business in alien insurers that are not authorized in the U. S. He cited the possibility of cancellation of Lloyds reinsurance agreement as the result of changes in Rhode Island's underwriting policies. He said the company has become embroiled in disputes with La Metropolitana Compania Nacional de Seguro de Cuba, Pioneer Equitable and William Penn.

(CONTINUED ON PAGE 16)

Editorial on Coinsurance Based on Errors

Recently NEA service, a Scripps-Howard syndicate, circulated an editorial on insurance to several hundred of its newspapers. The tone of the editorial was critical and was based on an erroneous interpretation of coinsurance. The editorial in the Uniontown, Pa., "Evening Standard" started off:

"Fire insurance companies warn that they are tightening up on loss settlements. This makes it important for property owners to get out their policies, read the fine type, and discover how bad a beating they will take in case of fire. . . . They (the companies) are going to begin enforcing what are known as coinsurance clauses (which) makes it high time to see if you are one of the vast majority that does not know where it (sic) stands."

"Explains" Coinsurance

The editorial states the company will not pay more than its share of the actual fire loss no matter how much protection insured has paid for. If insured has \$15,000 of coverage on a \$12,000 house with an 80% clause, he can collect only \$9,600 if the house burns to the ground, the editorial declares.

"We do not attempt to justify the philosophy behind this type of policy. Much less do we condone the confusing legal verbiage that conceals the actual meaning of the 80% clause from the average property owners. But like it or not, that is the most common type of policy. Probably a majority of property owners are even more dangerously underinsured, because of the real estate boom and this type of contract, than they realize."

The editorial immediately drew sharp criticism from agents and others. National Assn. of Insurance Agents, National Board, General Adjustment Bureau, Eastern Underwriters Assn., Western Underwriters Assn., Southeastern Underwriters Assn. and Board of Fire Underwriters of the Pacific all received complaints.

No "Tightening" on Settlements

No one knows of any warnings that companies are tightening up on loss settlements. Companies generally follow the practice of adjusting losses on the basis of the policy contract. In the illustration given, the policyholder would collect the full value of the house, or \$12,000.

Some local agents' association called on their newspaper editors and pointed out misstatements in the editorial. Dutchess County Assn. of Insurance Agents made a statement of facts which was reprinted in the Poughkeepsie "New Yorker" in the same position as the editorial on the preceding day. Others took similar action: Wyoming Valley Insurance Exchange in the Wilkes-Barre (Pa.) "Times Leader-Evening News", Yakima county association in that city's "Republican." In Akron, W. T. Akers Co. immediately made a statement to the editorial office of NEA service in Cleveland. Alliance Insurance Exchange of Burlington, N. C., wrote a letter which was published in the Burlington "Times News."

Representatives of National Board and other organizations, including Donald Sherwood, general adjuster of National Board, conferred with NEA editors. The latter stated their intention was to warn policyholders to bring insurance up to value. In replying to letters from client newspapers, NEA editors said this was their prime intention and took occasion to point out the factual errors so that editors who had used the editorial might make corrections.

National Assn. of Insurance Agents is now getting out a simple statement of how coinsurance works so that agents can pass it along to their local editors.

Three Decades on Copy Desk

Frank A. Post, news editor of THE NATIONAL UNDERWRITER, on June 26 will have completed 30 years in the service of the organization. He has been an editorial department mainstay and his influence has been exerted throughout the years on the news columns in a consistent way. As head of the copy desk, through his hands each week go the news items both of correspondents and of staff men. The character of the newspaper is governed to a very large extent over the years by the selection of material that is made at this point, the judgment that is displayed in trimming or expanding the copy, making corrections, relating one piece of news to another, suggesting how certain news situations might be better developed, writing the captions, and assisting in the makeup of the pages and reading page proof.

A man in this place works anonymously and he has an internal orientation. His work is somewhat analogous to that of the home office underwriter in the insurance company whereas other members of the editorial department that work outside in news development might be likened to the fire insurance special agent or the life insurance field



FRANK A. POST

supervisor. Mr. Post, in this spot that is inconspicuous so far as the reader is concerned, has processed tens of thousands of insurance news items in the three decades with intelligence, against an informed background, and with judgment that has been a major contribution in achieving THE NATIONAL UNDERWRITER's aim of being thorough, reliable and readable.

Mr. Post by no means has been without personal contact with the insurance fraternity. As editor of the "Accident & Health Review" he has had long and favorable relationships with leaders in the A. & H. field and he long since won their confidence because of his enlightened and understanding reporting of news and his editorializing in the accident and health line.

Mr. Post was born at Thayer, Kan., and graduated with Phi Beta Kappa honors at University of Kansas. He had extensive daily newspaper experience, including service with Topeka "Capital," and with Parsons, Kan., "Sun" as editor. He was with Kansas City "Journal" at Kansas City and as staff correspondent at Muskogee, then Indian Territory, and Guthrie, Okla. He operated an independent news bureau at Guthrie until removal of the capital to Oklahoma City dried that up as a news center. He was with the Oklahoma City "Oklahoman" and "Times" and Fort Worth "Star Telegram" before going to Chicago in 1917 with the Chicago "Daily News." He went with THE NATIONAL UNDERWRITER in 1919. Previously he had been news representative for the publication in Oklahoma and Texas. He has been

Mich. OK's N.A.U.A. Auto Rate Cuts

LANSING—Commissioner Forbes of Michigan has approved a filing by National Automobile Underwriters Assn. providing for approximately a 15% reduction in auto fire, theft and collision rates with the exception of full coverage and \$25 deductible policies. Only passenger cars are affected.

The reduction is effective on new and renewal policies dated June 1 or later and contracts cannot be canceled pro rata to take the credit.

The commissioner estimated that the reductions would aggregate about \$2 million.

The loss ratio on \$25 deductible policies was reported to have been "extraordinarily high" in 1947 and 1948, precluding any cut in rates.

A bulletin to members of Michigan Assn. of Insurance Agents had forecast the reduction and had commented: "We believe that this reduction will relieve the present situation to a very great extent. It may be of interest to note that the 'earned' loss ratio on \$25 deductible in 1948 went up to 81.3% as against 67.6% in 1947, therefore the lack of reduction there." The bulletin noted that State Farm Mutual Auto precipitated the trend March 24 after a publicity build-up had resulted from the refusal of Commissioner Forbes, in conformity with statute, to release the proposed filings by that company March 15. Later, on April 11, eight independents created a new "rural territory" in western Michigan and obtained approval for a 10 to 20% reduction. Detroit Automobile Inter-Insurance Exchange cut physical damage rates 10% May 2 and American Automobile cut fire, theft and all forms of collision, state-wide, 25% June 4.

Meanwhile the bureau companies had promulgated increased property damage rates on a territorial basis but making almost commensurate reductions in B. I. except in certain territories. This drew fire of the agents in many instances and a movement is understood now to be afoot to obtain a further reduction in B.I. to offset the P.D. boost.

American Mutual Alliance is reported to be following the bureau B.I. and P.D. schedules.

Recodification Measure Is Passed in Texas

Five insurance bills are now on the desk of Gov. Jester of Texas awaiting his signature.

One measure requires insurers to print the responsibility and liability clause on certain fire insurance policies. Another authorizes the establishing of special rates to cover large trucks.

The investment law is liberalized to permit among other things commitments in housing loans guaranteed by the government.

Passed was a bill placing county mutual insurance companies under the jurisdiction of the department. County mutuals operating within their home county only would have to maintain a \$10,000 reserve, and those operating statewide, a reserve of \$25,000.

A law has been passed calling for a 13-man interim committee to recodify the insurance laws and report to the next legislature. Ten legislators will work with the three insurance commissioners; the speaker of the house appointing five members and Lt. Gov. Shivers appointing five. The legislators will be paid \$10 a day for their work.

editor of the Accident & Health Review since 1920. He has reported all but one of the meetings of H. & A. Underwriters Conference since 1920 and is an honorary member of the organization. He helped cover and get out the daily editions of THE NATIONAL UNDERWRITER for the conventions of National Assn. of Life Underwriters from 1923 to 1947.

McWilliams, Tribou, Collopy Advanced by Aetna Fire Group

Two new officers and an assistant department manager have been named by Aetna Fire group. Richard K. McWilliams, manager of the casualty claim department, was elected assistant secretary of Century Indemnity; William H. Tribou, attorney, the legal department, was named assistant secretary of the group, and Mervyn F. Collopy, superintendent of the Pacific inland marine department, was advanced to assistant manager of the Pacific department.

Mr. McWilliams joined Century Indemnity in 1936 as supervisor in the Boston claim department. He is a graduate of Bowdoin College and Harvard law school. He practiced law in Boston from 1923 to 1928 and was an independent adjuster and local agent at Rumford, Maine, until joining Century. In 1941 he was made claims manager at Hartford and in 1945 transferred to Boston in the same capacity. He was appointed manager of the home office casualty claim department in 1948.

Mr. Tribou joined Aetna in 1928 as head of the law department for Century Indemnity. He received his education at University of Maine and Boston University law school. He started in the business with the legal department of Maryland Casualty at Boston, and also served as manager of the Portland, Maine, claim division for Maryland.

Mr. Collopy started with Aetna as an office manager in the Pacific department in 1923. He is a law graduate of St. Ignatius College, San Francisco. He served in various divisions of the Pacific department and was appointed marine special agent in 1930. He became superintendent of the inland marine department in San Francisco in 1937. Mr. Collopy was a lieutenant commander in the navy in the last war.

Olmsted, Fire Secretary of Automobile, Retiring

Theodore D. Olmsted, fire secretary of Automobile and Standard Fire, has retired from active duties. He will be available to the companies for consultation and advice until Oct. 1, the effective date of his retirement.

Mr. Olmsted was educated at Worcester Polytechnic Institute. He was with Factory Association, Weed & Kennedy in New York, and Hutchinson, Rivinus & Co. in Philadelphia before he joined Automobile in 1917 as assistant superintendent of the special risk department. In 1924 he was elected assistant secretary of the fire department and in 1940, secretary.

C. H. Metzner Joins W.U.A. to Conduct Research

Clarence H. Metzner has joined the staff of Western Underwriters Assn. to engage in research activities relating to situations in the 18 states in W.U.A. territory. He has had an extensive and varied experience in the business. He started with Illinois Inspection Bureau and then saw service in the field in Illinois and Michigan and subsequently was in local agency work.

Clermont County Board Meets

Verne Hart, Columbus, special agent Aetna Fire, spoke on the service of an agent to his client at the meeting of the Clermont County (O.) Assn. of Insurance Agents at Amelia last week. David Rhoden, Cincinnati manager of Home, described the coming inspection of major communities in the county. In the absence of President Leonard Harding, Milford, Stanton Brock, Loveland, vice-president, was in charge of the meeting. The Clermont County board has had a series of regular monthly luncheon meetings since it was organized last fall.



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY

ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.

ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY

ORGANIZED 1852



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA

ORGANIZED 1866



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY

ORGANIZED 1909



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Western Department: 120 South La Salle Street, Chicago 3, Ill.

Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Foreign Departments: 111 John Street, New York 7, New York
206 Sansome St., San Francisco 4, Calif.

Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

N. Y. Gives One Year O.K. to General's Annual Pay Plan

The New York department has approved for one year a filing by General of Seattle calling for the installment payment of premiums for five year term coverage. The approval is subject to revision depending on what is turned up in the department's current special study of term business.

New York's approval follows closely on the spread of the installment procedure through many southern states. It is referred to as an annual renewal plan rather than an installment plan. It is the third type of installment plan approved by the New York department, earlier approval having been given to a filing by North America, and to a budget plan of the New York Fire Insurance Rating Organization of which General of Seattle is a subscriber.

Outstanding feature of General's plan is that the company does not have to set up a premium reserve for the full five years. That factor, though diminishing in importance, has been a problem to the fire companies and had its affect on capacity by tying up funds in reserves.

Annual Plan Endorsement

Under the plan policies covering all classes of risks, which under N.Y.F.I. R.O. rules are eligible for a term longer than one year at a reduced multiple of the annual rate, may also be issued for an initial annual period at 100% of the annual rate with endorsement attached permitting renewal of the policy for four successive annual periods at 80% of the then current annual rate, the premium to be payable at the inception of each annual period.

All policies issued for one year which cover risks eligible for renewal under the annual renewal plan shall have at-

tached the annual plan endorsement. The original policy is issued for a period of one year at 100% of the annual rate with endorsement attached providing for renewal annually for not to exceed four additional years by the issuance of a renewal certificate, the rate on which shall be 80% of the then current annual rate. The remaining rules are the same. This is the same plan as is in effect in the south.

The charge for the five year coverage under the plan amounts to 4.2 annuals. North America's plan is based on a 100% first year followed by four payments each 78% of the annual charge, which works out to 4.12 annuals.

Proposed D.C. Regulations Govern Insurance and Loans

WASHINGTON—After months of hearings and consideration, new money lending regulations, limiting the types and amounts of insurance for which a borrower may be charged, have been submitted by the D-C corporation counsel's office to the board of three district commissioners for promulgation, if approved.

Chester Gray, assistant corporation counsel, who drafted the regulations, said that the principal thing they do would be to eliminate the practice of some small loan companies of requiring the borrower to buy "every conceivable type of insurance" before getting his loan. The insurance, also sold by loan companies, accounted for much of their profits, Gray said.

He cited an example where a loan company agreed to lend a man \$1,500, but required him to take out insurance on which premiums were \$300.

"The proposed regulations specify the type and kind and quantity of insurance which may be required of the borrower, before the loan is made," Gray added.

The regulations provide that a copy of the policy or policies must be delivered by the loan company to the borrower within 20 days. Each borrower must be given a statement in writing showing facts and figures connected with the loan, including the listing of insurance and other charges separately.

The borrower may be required to take out fire and extended coverage insurance on household furniture posted as collateral security for the term of the loan only and in amount not exceeding the fair market value of the property.

A borrower on an automobile may be required to buy \$50, \$75 or \$100 deductible collision, also fire and theft insurance (or comprehensive) for a term not exceeding the loan term.

If there is no collateral security, a reducing form of term life insurance on the life of the borrower may be required, in amount not greater than the actual loan, and only for the period of the loan. In no case shall life coverage be required where property is accepted as collateral security.

Truck Cargo Thefts \$35 Million in '48

ROANOKE, Va.—Truck cargo thefts and hijackings reached a new, all-time peak in 1948, according to the annual loss survey of Babaco Alarm Systems, which was released here in connection with the start of annual meeting of Virginia Assn. of Insurance Agents.

More than 6,000 thefts, involving values in excess of \$35 million occurred in 1948, the report says. That is a 50% increase in two years time.

"Present conditions point to a probable \$40 million loss total for 1949," the report continues, "which would carry the theft losses to a new record. This is not an unexpected trend to those who have followed basic conditions, a major crime wave being predicted by the FBI in 1945. That prediction has come true."

Television, scarcely known as a cargo five years ago, now ranks among the 10 leaders. First place in number of thefts is occupied by the general item, clothing. In second place for some years, these cargoes took first place in 1948 with a wide margin. Textiles were second in rank, though they showed greater aggregate amount and larger numbers of losses than the year before.

Tobacco losses went up from fourth to third place. Food went from sixth to fourth.

In amount of loss, jewelry led, as the fewer losses averaged much higher in value. Textiles stood second in loss values, with clothing third.

Taking the experience of the three full post-war years, the 10 top ranking loss leaders were found to be: Textiles, clothing, liquor, jewelry, tobacco, food, furs, electrical goods, leather, television.

Top loss localities in order were: New York, Chicago, Philadelphia, Los Angeles, Boston.

Safety Talk at Roanoke

ROANOKE, VA.—A. V. Mallory of the state department of labor spoke on "Industrial Safety" at a meeting of Roanoke Assn. of Insurance Agents.

Name Casualty Committee

New members of committees of the Assn. of Casualty & Surety Cos. appointed by W. E. McKell, president of New York Casualty and vice-president of American Surety, president are: Automobile financial responsibility laws—Century Indemnity, Commercial Casualty, and Massachusetts Bonding; blanks and uniform accounting—Eagle-Globe-Royal Indemnity Cos., London & Lancashire Indemnity and Zurich; budget—Maryland Casualty; advisory—Accident

& Casualty, Bankers Indemnity, Commercial Casualty, Eagle-Globe-Royal, London Guarantee, Manufacturers Casualty, and U. S. Casualty; claim bureau—Employers of Alabama; law—Bankers Indemnity; public relations—U. S. Casualty; accident prevention—Yorkshire; and tax matters—Hartford Accident.

Texas Lloyds in New Quarters

Texas Lloyds of Dallas has moved into new and larger quarters on the second floor of the Wilcox building. The new home office is air conditioned.

E. E. Kirkland has been named sales director of the bankers division. He was for many years an executive of Pacific Finance Corp.

NEWS BRIEFS

Bellingham (Wash.) Assn. of Insurance Agents has elected Harry S. Jenkins as president, succeeding Orville M. Garrett. William T. Follis, Jr., is the new vice-president and Anne E. Byrne has been reelected secretary-treasurer. M. L. Woods has replaced D. K. Ireland on the organization's nominating committee.

The Knights of the Round Table of Union League Club of Chicago, which is the insurance luncheon group, is giving a farewell luncheon party June 24 to Clinton L. Allen, former western manager of Aetna Fire, who is shortly departing to assume his new office of executive vice-president at the home office.

Irving H. Thomas, Aetna, Nashville, is being transferred to Topeka July 1. He was presented a portable typewriter at the recent meeting of the Tennessee Blue Goose.

The Seattle Blanket Club will hold its annual golf tournament June 23 at Rainier Golf & Country Club. Al Hoelting, Jr., of Marsh & McLennan, is chairman in charge of arrangements.

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AND INDEMNITY COMPANY**
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HARTFORD 15, CONNECTICUT

Life Business

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Life Brokerage Business Slips Off

Several life agencies doing a considerable business among brokers who are primarily fire and casualty producers, report a considerable slack-off in the amount of life insurance which these brokers are producing. Managers attribute this to the decline in general business conditions. Some of the brokers' clients are having a hard time paying their fire and casualty premiums and in some cases are actually cutting down on property insurance coverages. This means it is no time to talk to these clients about life insurance, the brokers find.

Up until recently, many brokers were making life sales where they had never done any such business before. Part of the reason for this was that clients had plenty of money and could afford life insurance. Another reason was that a capacity shortage in the fire insurance market meant that the broker was only able to place a limited amount of this business and needed to turn to personal coverages to make his living. This is no longer true now that the capacity shortage in fire insurance has virtually disappeared.

It is still true, however, that life insurance agencies in the big brokerage cities are doing a stronger business among brokers than ever before. The habit of life insurance selling has caught on with many brokers who formerly gave it no attention. A new generation of producers with experience in life insurance sales has sprung up. Men who have once learned the basic fundamentals of life insurance and have tasted life insurance commissions and established a life insurance clientele have boosted life sales from this source to what may be a plateau permanently higher than before.

Auto Salvage Plan on Coast Works Out Well

SAN FRANCISCO — The California Salvage Plan, organized several months ago by companies affiliated with Underwriters Salvage Co. to dispose of automobile total losses through fire, theft or collision has proved to be a success. It is saving the companies expense and returning cash through its operations.

This was brought out at a luncheon at the headquarters of the salvage company here. About 150 company managers, adjusters, claims superintendents and others interested were told of the results to date, how the operation functions and future plans. It was indicated that the plan, started as an experiment to see if such a central method of disposing of the damaged cars would aid in reducing losses and loss expense, would be carried on indefinitely. Most of the auto writing companies have shown interest in the program and most are using the facilities.

The committee in charge of the plan consists of the members of the Pacific Coast advisory committee of Underwriters Salvage Co.: R. H. Griffith, Glen Falls; H. Clyde Edmundson, America Fore; H. F. Mills, Aetna; R. L. Ellis, Fireman's Fund; F. F. Owen, North America; F. J. Pelletier, Hinchman, Rolph & Landis; J. C. Qualmann, Royal - Liverpool; H. A. Reynolds, Home; F. W. Sullivan, Loyalty group; T. Shotwell, North British, and Frank Spencer, Commercial Union.

\$115,000 Verdict in Cal. for Boy's Loss of Leg

LOS ANGELES—One of the largest personal injury verdicts ever returned in the Los Angeles county superior court was handed down in a case involving the loss of one leg and severe injury to the other of an eight-year-old boy. The verdict was for \$115,000.

Judge Maltby denied motions for a new trial and reduction of the record

verdict returned here in favor of Kenneth Within against Consolidated Rock & Gravel Co. The suit was the result of a traffic accident.

Walls of Loyalty Group Heads Cal. Blue Goose

LOS ANGELES — The California Blue Goose has elected Edward E. Walls, Loyalty group, most loyal gander; George K. Ross of the Humphreys general agency, supervisor; Gene E. Groff, insurance attorney, custodian; Russell C. Edgerton, Providence Wash-

ington, wielder; Warren C. Martin, Fireman's Fund group, keeper; Donald E. Walker, Phoenix-Connecticut group, guardian.

Mr. Walls was named a delegate to the grand nest meeting.

R. R. Burns to Have Partner

Harold B. Wendell has resigned as superintendent of agencies of Capitol Life of Denver and on June 1 became a partner in the R. R. Burns agency of Oregon, which became the Burns-Wendell agency on that date. Head-

quarters will be in the Cascade building, Portland. Mr. Wendell has been in the life insurance business since 1919.

The Pendleton agency at Astoria, O., has been sold to the Ralph H. Humphrey agency.

The Callaghan agency at Bellevue, O., has been sold to Hasselbach & Paul. It has been in operation for 60 years.

As a result of a death in the agency, the Anthony Brothers agency at Ft. Recovery, O., has been sold to Clark Kolp.

George L. Beare has taken in his son, George M. Beare, as a partner in the Miller & Beare agency at Sandusky, O.

Oakley Flory has taken his son, Ralph E. Flory, in as a partner in his agency at Eaton, O.

How can A&H be made SIMPLER?

THESE FOUR NEW PRODUCERS' SALES HELPS HOLD THE ANSWER

"Make it simpler—easier to specify and we'll sell more," said producers when asked why Income Protection was today's most neglected field. And that is just what is achieved in Fireman's Fund Basic Equity Accident and Health program. In these four new "sales helpers" all Basic and Optional coverages to meet practically any demand for Tailor-Made policies are quickly available for reference in clear, simple, straightforward terms. Send for the complete set or ask your Fireman's Fund fieldman.

SELL INCOME PROTECTION...TODAY'S MOST UNDER-INSURED OPPORTUNITY

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STRENGTH
PERMANENCE
STABILITY



Hildebrand Warns of State Taking Over Auto Business

Sharp comments on the automobile rate situation in Michigan supplementing those of individual agents and local associations in the state were delivered by Waldo O. Hildebrand, secretary of Michigan Assn. of Insurance Agents at the convention of the Upper Peninsula (Mich.) Assn. last week. The state is in the throes of a "rate war" wherein the independent companies have filed deviations of as much as 25%.

Mr. Hildebrand warned of the danger of all automobile business in Michigan being lost by legislative action. Some members of the legislature, high state officials, labor leaders and a few newspapers have advocated the state taking over the line. He said he saw a draft of a bill to bring automobile insurance sales, underwriting and loss adjustment under supervision of the state accident fund, making it mandatory that all applications be accepted and no commission be paid for placing business.

Criticizes Recent Increases

Automobile rates in Michigan are not high in comparison to many states, Mr. Hildebrand remarked, but he asked that in view of a marked decline in consumer prices during the last few months, how Michigan agents can justify a bureau increase in P.D. rates effective only two weeks ago? To some agents renewing business of last year this is an increase in addition to one of May, 1948. The agents affected contend that the data was not of sufficient recent vintage to portray properly the present loss situation.

Mr. Hildebrand stated that the virulence of the present rate situation lies in the tardiness of action on physical damage rates by the bureau companies.

He observed that two weeks ago a Grand Rapids newspaper editorial complimented the local safety council on the reduction in accidents in the city and made reference to the fact that auto rates were decreasing. In the same paper, there was an announcement that the bureau companies had increased auto rates in most of the states, including Grand Rapids. "The public does not recognize any difference between P.L. and collision rates—it's all auto insurance," he said.

Race discrimination has come into the picture. Governor Williams has appointed a committee to investigate the situation, and Mr. Hildebrand said that the committee's work must have the interest of the industry.

Assigned Risk Commission Low

He criticized the assigned risk plan, whereunder an agent who conscientiously tries to help an applicant receives but 7½% commission. This rate was brought about because one or two agents were caught soliciting assigned risk business and the companies, contrary to the advice of the agents' association, retaliated by paying virtually no commission to anyone.

The agents, too, are at fault in that they do not get out and work automobile insurance from sales to the additional service that could be rendered during the lifetime of the policy. Only about 5% of the agents are active in accident prevention work, a job that should be undertaken by the entire membership.

The upper peninsula group adopted a resolution suggesting that Commissioner Forbes designate two U. P. locations for giving examinations on specified dates to agent license applicants.

Russell A. Bradley, Ann Arbor, Michigan association president, spoke on "The Facilities Now Available from the Michigan Association," particularly the educational and legislative services; Donald Finlayson, vice-president First National Bank of Sault Ste. Marie, on

"Bank and Agent Relationships." E. C. Saulcy, Grand Rapids, special agent of Great American, reported on National Board's public relations committee activity, and Robert M. Nogby, Escanaba, special agent of Hartford Accident, on "Casualty Problems in the U. P." John F. Rapin, Soo agent, was toastmaster at the banquet.

It was decided to hold next year's meeting at Escanaba and officers from that area will be chosen at a later session. An executive committee was named, consisting of Brit Hall, Escanaba; John P. Old, Jr., Sault Ste. Marie; Robert Sidel, Menominee; Harry King, Calumet; Sen. Leo Roy, Hancock, and Katherine Hoban, St. Ignace.

Tex. Mandatory Deductible to Stay

The Texas board of commissioners has ordered that the mandatory \$100 deductible on windstorm and hail remain in effect, for the time being. The recent public hearing on the deductible resulted in almost unanimous appeal of the insurance fraternity to not change it to an optional; the producers feeling that with an optional deductible buyers would insist on the deductible when buying, because of a lower premium, but when they had losses they would want full coverage.

The board said that the mandatory deductible would remain in effect because sufficient time has not elapsed since the inception of the clause for the board to have sufficient data from experience to enable it to make a change by intelligent decision. A further comment was "the board does not consider this question closed, and it recognizes that it must continue to study the experience figures and the results, and to this end it is requiring the insurance companies to furnish detailed records of losses and lost adjustment expense."

In spite of this action, the Texas house is considering a bill which would prohibit the board from ever ordering a mandatory deductible for windstorm and hail. Some of the legislative proponents of this bill attended the public hearing. Insurance people have indicated opposition to any law which would take away authority of the board in insurance matters.

Whitney Tells of Plans of Independent Adjusters

Ross Whitney of Chicago, president of National Assn. of Independent Insurance Adjusters, in addressing a meeting of Loss Executives Assn. at Manchester, Vt., recalled that the independent association was formed 11 years ago. This has served to place the business on a professional basis. An applicant for membership is investigated closely in respect of education, financial worth, adjusting experience, company references, etc. He must have had five years or more if claims experience and must have been in business in his own name for at least three years. These applications are thoroughly investigated and friendship has not been allowed to prevail over an objective analysis of the applicants' merits.

The association has started an educational program for the benefit of new men and also to keep experienced men abreast of progress in forms, opinions, law decisions, legislation, legal articles, etc. Judicial decisions and new and changing forms of policies demand attention, but it is difficult for the independent adjuster to keep up with his daily demands and at the same time to keep informed of developments. Hence the plan is to have a committee that will digest, collate and screen current material and make the sifted data available to members. It is planned to have the membership of the committee fixed along geographic lines and the material will be disseminated by bulletins, letters and through the house organ, "The Independent Adjuster."

General Motors Puts New Ohio Law to Test

COLUMBUS—The first hearing on an application of an automobile agency attache for a license to write insurance to be held since the passage of the so-called agents-General Motors bill by the present general assembly took place before Superintendent Robinson. The application was filed by Paul R. Smith of Barnesville, who, if he is licensed, will become, it is said, associated with the Charles H. Sipe General Motors agency at Cambridge. It is said that this concern has 42 employees and that it takes in about \$600 a month in insurance commissions.

Mr. Smith was formerly an adjuster with Aetna Casualty. Some time ago he helped to liquidate a building and loan company. His "qualifications" were presented by counsel. The superintendent in passing on the application, must determine whether Mr. Smith is a "suitable" person and if he intends to write insurance on other than controlled business.

This appears to be a move by General Motors to test out the new law.

Elect at Myrtle Beach

New officers of the recently reactivated Insurance Exchange of Myrtle Beach, S. C., are: William C. Jones, Jr., president; L. K. Ward, vice-president; Dewey Bell, secretary, and Brooks Baldwin, treasurer.

Minn. Steering Group Meets

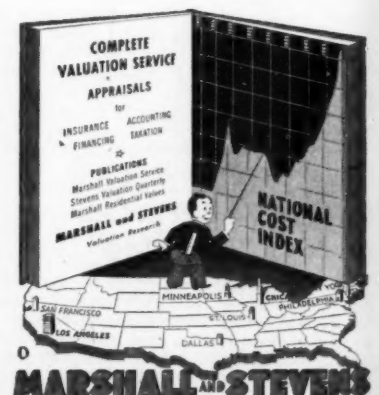
The executive committee of Minnesota Assn. of Insurance Agents met at Walker, Minn., June 18 to make plans for the annual meeting at Duluth Sept. 30-Oct. 1.

INLAND MARINE MANAGER

This man has had top experience with both a Company and Agency. He knows both Inland and Ocean Marine. Would like to locate in the Kansas City area.

For more particulars write,

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FERGASON PERSONNEL
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Company Educators Hold Conference at New York

NEW YORK—The company educational directors' group held a conference in the committee room here of National Bureau of Casualty Underwriters. Paul Abbott, North America, discussed recruitment methods; Frank D. Eubank, Royal-Liverpool, curricula of training courses; W. E. Mallalieu, Jr., Glens Falls, program for company employees; John Eglof, Travelers, sales courses, and John N. Cosgrove, American, visual aids. The meeting ended with a dinner at which Dr. G. Rowland Collins, dean of the graduate school of business administration, New York University, spoke. About 50 attended.

Young people entering the business must be sold the American system of private enterprise as well as taught the fundamentals of insurance, Mr. Eglof said. They must have an appreciation of the advantages and benefits of the American system as the base of their training. He advocated the training of new agents in all lines, and general training in personal lines. He said training in the business lines should be given as a post-graduate course after the agent has had a few years experience in selling the personal lines.

Mr. Eglof urged the broadening of insurance education programs to permit the trainees to meet the period of keener competition which is now developing. The agents who prosper during both bad and good times are the ones who build their business on the basis of doing a thorough job for each customer, rather than those who specialize in the sale of some line or policy.

He cited the importance of educators supervising the recruiting as well as the training of new agents. Selective recruiting and broad education are necessary to develop the kind of agent who will succeed in the business for himself and for his companies he represents.

Mr. Eglof reminded the educators of their responsibility in guiding new agents in a path which should lead to financial independence, self-respect and service to their fellow men. He urged them to adjust their sights to keep pace of the rapidly changing currents of the industry. He said that today's training methods must be adequate to meet the demands of the nineteen fifties.

About 75 representatives of all types of carriers took part in the conference. L. E. Falls of Insurance Institute of America, which sponsored the meeting, presided.

Frank D. Eubank, educational director

Expect Ill. Department Ruling on Cotter July 10

The final hearing before the Illinois department on the licensing of Harold E. Cotter consisted of the filing of further exhibits by insurance companies, agencies and clients against the Chicago broker. There are now approximately 100 checks, vouchers, bills and policies filed with the department, purporting to show that the broker was guilty of unethical practice and should not be issued a license. Thor Wanless, who conducted the hearing, is now taking the matter under advisement and expects to issue an order on the license application about July 10.

Mr. Cotter's attorney withdrew the application for renewal of his license, but the department elected to proceed. The broker figures in a suit in the circuit court at Chicago brought by United Wallpaper, Inc., against Lloyds for \$111,608 on which Lloyds deny they received a premium for a risk placed for them by Mr. Cotter. North America recently won a judgment in federal court at Chicago against Midwest Transfer Co. for \$10,025 in premiums, which included \$7,000 which Midwest paid to Cotter, but which the latter had not remitted to the insurer.

Mrs. Bloomshield Heads Librarians

Mrs. Angelica Van R. Bloomshield, librarian of New York Life, was elected chairman of the insurance group of Special Libraries Assn. at the annual meeting in Los Angeles. Other officers elected were: Vernie Wolfberg, librarian of St. Paul Fire & Marine, vice-chairman; C. Helen Henry, librarian of National Fire Protection Assn., secretary, and Hazel K. Levins, librarian of

Mutual Benefit Life, editor.

Mrs. Bloomshield who succeeds Miss Elizabeth Ferguson, librarian of the Institute of Life Insurance, has made an important contribution to insurance librarianship during the past year by editing the third revised edition of the handbook, "The Creation and Development of an Insurance Library," which will be available through the Special Libraries Assn. this summer.

Dillhoff Agency Moves

CINCINNATI—The Joseph T. Dillhoff agency moved this week to the new

U.S.F.&G. building at 24 East Sixth street. It had been in the Dixie Terminal building for many years.

Founded in 1904 by Mr. Dillhoff, the agency has represented Newark Fire and Fidelity Mutual Life continuously. Mr. Dillhoff is still active, assisted by his sons, Joseph H. and Robert.

Hutchinson Board Elects

Paul Lewellyn was reelected president of Hutchinson (Kans.) Insurance Board and Willard Hankins was re-named secretary. W. L. Kline succeeds John B. Brehm as vice-president.

An advertisement similar to this appears in SATURDAY EVENING POST, July 2 and in NEWSWEEK, July 4



Pondering the question of a Panama Canal, the Theodore Roosevelt cabinet moves toward a decision that will have a profound effect on America's future. From left to right—John Hay, Secretary of State, William H. Taft, Secretary of War, President Theodore Roosevelt, Leslie M. Shaw, Secretary of Treasury, James Wilson, Secretary of Agriculture, George B. Cortelyou, Secretary of Commerce and Labor (foreground), William H. Moody, Attorney General, Paul Morton, Secretary of Navy, Robert J. Wynne, Postmaster General. From a painting by Percy Moran, 1904. Reproduced by courtesy of Dorothy I. Chapman.



For the Future

Your future security may depend upon today's decisions. For your personal and commercial protection, determine now to review your insurance program with possible future contingencies in mind.

Learn how the Great American Group of Insurance Companies can help you attain a planned security by calling one of Great American's 16,000 local agents, or your own insurance broker.

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WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

Lloyds Issue Likely To Be Aired at Seattle

Questions concerning the operation of London Lloyds in this country, it is expected, will be aired during the convention of National Assn. of Insurance Commissioners at Seattle next week. There has been considerable agitation lately concerning the Lloyds setup. There are some who are making the issue that the Lloyds U. S. trust fund is the equivalent of an insurance company and that it should be required to convert this into a corporate insurer on an equal footing with regular companies. This would appear, however, to

be the most radical proposal that is being ventilated.

There is a substantial school of U. S. insurance leaders that values Lloyds, that feels they have a place that should not be disturbed by drastic rules and regulations, but that does feel that there is a fundamental inequity in the fact that Lloyds is not subject to income tax either here or at home. This is a problem of a complex international aspect, but it is one that a good many are saying needs to be solved in order that Lloyds operations in this country shall be conducted against tax considerations that are equivalent to those faced by U. S. insurers.

IF YOUR REGULAR MARKETS DECLINE — SEE US

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LONG HAUL (ALL COVERAGE)

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SINCE 1797

Challenge Tenn. Rate Cut Plan

Called Unconstitutional, Impairing Obligations of Contracts

NASHVILLE — The Tennessee department was accused of attempting to violate both the state and federal constitutions in the method it employed in adjusting fire insurance rates.

The charge was made by Robert L. Alexander, attorney for Tennessee Inspection Bureau during a hearing Tuesday which was arranged by Commissioner M. O. Allen.

Some time ago Commissioner Allen announced that on July 1 fire insurance rates would be reduced approximately 20%. Insurance agents expressed no objection to the rates but vigorously objected to the method by which the state has suggested the reductions be put in force.

More than 75 company representatives, agents and department officials were present for the hearing.

In substance, the department is directing that the 20% reductions apply to all existing contracts which extend beyond July 1 and that cash refunds be made to policyholders.

Short Rate Rule

In order to perfect the reduction the department would eliminate rule 3 of the advisory rule book, the rate fixing directive of the Tennessee Inspection Bureau and approved by the insurance department, which says:

"If the rate of the new policy be less than the rate of the canceled policy, cancellation must be on a short rate basis, except when rewritten from the date of cancellation in the same company, on the same property, for not less than the original amount and for not less than the original term of the policy cancelled."

Alexander said the proposal would violate the provision of both the Tennessee and U. S. constitution, prohibiting any law impairing obligations of contracts.

Hobbs Files 50 Exhibits

T. E. Miles, chief deputy commissioner, presided at the hearing, and the department's explanation of Commissioner Allen's proposal was given by Charles T. Houston, general counsel, and Currey Sanders, deputy commissioner.

Russell Hobbs, manager of Western Actuarial Bureau, filed about 50 exhibits to his testimony to show comparison of the Tennessee rule with those of other states.

During questioning by Mr. Alexander, Mr. Hobbs explained that about 19 states had rules identical to the Tennessee rule which the department proposes to cancel and all other states have similar rules. Among the exhibits were the rules and regulations of all of the southern states which were almost identical to the rules which have been in force in Tennessee since 1934.

Mr. Alexander said there had been no objection to the now well known rule 3 and that this "is quite a persuasive argument in its favor."

The insurers and agents are taking the position that a contract is a contract and that no law or regulation should be invoked whereby the contract would be impaired.

In discussing certain of the exhibits, Mr. Hobbs maintained that the premium reduction order is unjust as well as illegal in that during the past five years some companies have lost money. The hearing was not formally dismissed, and it is not known just when a decision may be expected. A court test of the legality of the order might follow a decision unfavorable to the inspection bureau.

Supornick Suit Goes to Trial at Minneapolis

ST. PAUL — An interesting lawsuit got under way in federal court here this week, the outcome of which will be awaited by many insurance people not directly involved. Joseph Supornick & Son, Inc., adjusters, are suing four companies for a total of \$15,790 as the outgrowth of a fire last September at the store of St. Paul Cycle & Supply Co.

The companies are Imperial, Northern of New York; American Fire of Galveston, and Underwriters of Chicago. They allege fraud.

This fire and the resulting adjustment attracted wide attention last fall and resulted in National Board sending a representative here to investigate the situation. It also brought to a head and into the open a growing dissatisfaction with certain adjustment practices in Minnesota in recent years.

McCarthy Gulf State Agent

Bernard S. McCarthy has been appointed state agent for Colorado of Gulf. He was formerly special agent of New Zealand for Colorado, Wyoming, Montana and Utah. Gulf formerly operated in that territory through a general agency arrangement.

Mr. McCarthy had three years local agency experience in Trinidad, Colo., and nine years in field work in the mountain territory.

Homan to Houston F. & C.

H. C. Homan has been appointed state agent of Houston Fire & Casualty for Colorado. He was formerly branch manager of Traders & General for Colorado and New Mexico. Mr. Homan had several years experience in Wisconsin as local agent and adjuster before entering service. He is introducing Houston F. & C. in Colorado.

W. K. Walker has become a partner in the G. C. Grubb agency at Mt. Vernon, O.



OLIVER WENDELL HOLMES said:

"Many ideas grow better when transplanted into another mind—"

This is a good reason why you can afford to see and talk with us

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Expense Goes Down with Good Employee Relations

By KENNETH O. FORCE

NEW YORK—Low clerical production, poor employee attitudes, high turnover, tardiness and absenteeism are problems home and branch office executives are critically examining because they add substantially—and needlessly—to the rising costs of doing business.

Along with other businesses, insurers are discovering that since the war they haven't been getting their money's worth. As Edward O'Toole, partner in O'Toole Associates, management consultation specialists in the insurance field, points out, these problems are symptoms of an employee-management situation.

Non-Financial Incentives

O'Toole Associates have found that clerical employees often put as much value on the human relations in their work as they do on salary. This gives top management a good opportunity to offset the greater salaries which many competing industries can offer clerical employees.

What are the hidden costs of supplying non-financial incentives? Assume a company hires an employee at \$150 per month, expecting that at the end of six months she will not require any more on-the-job training for that particular position. She will average about 33% of standard production the first month; 50% the second and third months; 60% the fourth; 70% the fifth; 80% the sixth. If the employee leaves at the end of six months, the company has incurred a direct salary expense of \$385 for which it receives no commensurate production, and which cannot be amortized over future service. Add cost of advertising, interviewing, testing, selecting, placement, and overhead in the personnel office; insurance, general office expense and taxes; supervisory time and the time of other employees required to train the lost clerk and it all adds up to a substantial "hidden" cost. Every time a new employee is hired, the company literally makes an investment in human values. Whether or not that investment will pay off is determined by many factors of which the size of the pay check is only one.

Cost of Absenteeism in Dollars

Take absenteeism, Mr. O'Toole continued. "Suppose with its current work volume a company needs 200 clerical employees for proper staffing, on a full-time basis, before allowance for absenteeism. An absence ratio of 10% (which we have encountered in practice) means we must have 220 clerks. If we cut the ratio to 5% it would mean 210 clerks; at 2½% we would need only 205 clerks.

"The costs of excessive absenteeism are heavy at today's clerical salary levels. Interviews with chronic absentees have convinced us that unpleasant work situations frequently are the cause of many lost days. Correcting unfavorable work conditions or transfer of chronic absentee to other units in the majority of cases result in sharp reduction of time lost by these clerks."

Development of sound attitudes in the clerical staff must be done by department, division, section and unit—consciously and continuously throughout the company. An outside individual or firm cannot do this, but only suggest what should be done.

He contrasted two companies of similar size in two cities reasonably comparable, located within a few hundred miles of each other. Company A pays salaries a little below the going rate for its community; company B practically sets the clerical wage pattern in its community—its salaries are either tops or near the top in almost every category. Both use valid employment methods, including psychological and aptitude

tests. Yet company A has lower turnover, tardiness and absenteeism than does company B, and the morale in company A is far superior. Why?

On employee information company A mails its field magazine to the home of each employee; sends to employees' homes occasional special bulletins on important topics of immediate interest, such as introduction of a new policy form and why, entry into a new territory, with management, office location, etc. It maintains a bulletin board at the entrance to the home office which tells of visitors expected each day and carries items of special interest to the clerical staff; publishes a monthly, mimeographed magazine exclusively for employees, circulated during working hours. Also, activities affecting many employees are explained by the president or another senior officer. Recently a cost accounting program was initiated in this manner.

As to orientation and training, company A's new employees have a "sponsor," selected from the girls in the de-

partment. The sponsor helps her learn the ropes, and sees that she does not have to go to luncheon alone until she forms acquaintances and friendships. She is introduced to the friends of the sponsor in rest periods and at lunch, and helped over rough spots.

After the new employee has been on the job a few days, a representative of the personnel department takes her on a tour of the home office and presents her with an orientation handbook, which she carefully explains. When a small group of new employees is available, the president calls the group into his office for a brief, friendly discussion, and takes them to lunch at his club.

After a month, the new employee takes a "briefer" course in life or A. & H. insurance. The course is sketchy but sufficient to impress the employee with the importance of the industry and to give her an idea of its mechanics.

Meanwhile, the employee's immediate supervisor is devoting up to two hours a day to coaching and training the employee in her job. Job analyses and breakdowns are used, along with work distribution charts and other visual aids.

Employees are encouraged to join study groups, of the L. O. M. A. Institute, etc., and instructors are assigned and space provided for the groups, during regular working hours. Cost of ex-

aminations and texts is refunded to successful candidates. Seminars in supervisory and executive techniques are conducted by the company, on company time.

As to working conditions, company A has an old building, not designed for an insurance home office. But its washrooms and restrooms are clean and attractive, and the entire building is kept to a high maintenance standard. There is no air conditioning, but in summer an ample supply of fans is distributed throughout the building. The work week is 38 hours with two 10-minute rest periods daily, morning and afternoon.

Employees are recognized for special achievement, suggestions or service milestones.

Supervisors have planned interviews with each employee at least twice yearly. The results of these interviews are forwarded to the personnel officer and then reported to the president. Any evidence of employee dissatisfaction or difficulty is investigated and prompt action taken, if a solution can be found.

The fair and equitable salary policy is based on job evaluation and merit rating systems.

Supervisors and department heads are trained to be fair and courteous to em-

(CONTINUED ON PAGE 15)



HOW ABOUT YOU—WILL YOU BE "STUCK" IF A CONTRACTOR ASKS:

"Fearful of damaging underground conduits and piping while excavating down the center of a street, I shut down my mechanical equipment and order my men to use hand shovels and picks. Regardless of this precaution, a water main is pierced by a pick. Would I have coverage under my Contractors' Liability policy?"

COULD YOU ANSWER HIS QUESTION?

Nothing impresses a prospect as much as your ability to supply him with a definite answer based upon a knowledge of the fine points of insurance. Your bid for Contractors' Liability business will undoubtedly be successful if you handle this prosperous field confidently and intelligently. To achieve this, the Royal-Liverpool Group offers its agents information and assistance in fully developing this type of business. Write to Advertising Dept. for the latest issue of "True or False."

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Plans Made for Hospital Inspections

NEW YORK—Representatives of 19 organizations met here to make plans for the fire safety inspections of more than 6,000 hospitals which were announced recently by National Board.

With Col. Perrin C. Cothran, Phoenix of Hartford, chairman of the special committee on hospital inspections of National Board, the representatives discussed organizational plans, mechanics of operation, cooperation of state and local officials, and other phases.

The inspections will be made by trained fire prevention and safety engineers from the inspection and engineering bureaus of National Board and all fire and casualty organizations with the aid of specially qualified field men of individual companies.

The inspections will be made as a free public service without any regard to any commercial aspects of insurance.

Organizations represented at the meeting were National Board, American Hospital Assn., National Fire Protection Assn.; Assn. of Casualty & Surety Companies, American Mutual Alliance, Mountain States Inspection Bureau, Insurance Rating Bureau of District of Columbia, Missouri Inspection Bureau, New York Board, Pacific Board, Eastern Underwriters Assn., Fire Insurance Rating Organization of New Jersey, New York Fire Insurance Rating Organization, National Assn. of Insurance Agents; Middle Department Assn. of Fire Underwriters, Maryland Fire Underwriters Rating Bureau, Western Actuarial Bureau.

Vincent Peterson has been appointed manager of the L. J. Lensmeyer agency, Manitowoc, Wis., and also will represent Mutual Trust Life, for which the late Mr. Lensmeyer was general agent for 14 years. He is a brother-in-law of the former owner.

Symbol of P.R. Program on Pacific Coast

This is the symbol of a blueprint for public relations in action with Pacific Board as coordinator. Just a year ago "The Pacific Plan" was originated. The



program embraces the cooperative efforts of management, field men and producers. Current plans include speakers' bureaus, institutional advertising in newspapers, press releases and fire prevention activities.

Offer Loans for Premiums

NASHVILLE — Finance companies of Tennessee making small loans are advertising special \$50 loans for payment of premiums on automobile liability insurance under the financial responsibility law which becomes effective July 1. Apparently no effort is being made to influence the placing of the insurance. All such loan companies are under the supervision of the insurance and banking department.

Henry C. Jones Is New Head of Arkwright Mutual

Henry C. Jones has been elected president of Arkwright Mutual Fire of the factory mutual companies. He was formerly executive vice-president and in his new position he succeeds Edward A. Barrier.

Mr. Barrier also served as treasurer. He will continue as a director. Assistant Treasurer Harry F. Eaton is also retiring and he is succeeded by Archibald Appleyard.

K. C. Adjuster Gives Demonstration of Alertness

The alertness of Maurice J. Street, Kansas City attorney and adjuster, was rewarded the other day when he spotted in a parking lot, a jack tractor that had been stolen and in connection with which he was handling the investigation and adjustment for Zurich Fire.

The tractor had been left at the curb by the repair shop of General Motors truck and coach division at 2540 McGee street, Kansas City, where it was to undergo repairs. The next morning it was missing and Zurich Fire, the insurer, was notified. Then on the following evening Mr. and Mrs. Street drove into a parking lot near General hospital at Kansas City where they were to visit a patient. Mr. Street noticed a jack tractor in that lot and he determined that this was the stolen vehicle. The automobile theft division towed it to their garage.

Plan Regional at Vinita

A regional meeting is scheduled by Oklahoma Assn. of Insurance Agents for June 24 at Vinita. A preliminary meeting will be held the night before, President Dave R. McKown announced. This winds up the regional meeting program of the association for the season. Meetings have been held at Woodward, Ponca City and Shawnee. All were well attended.

The Oklahoma association is collaborating with the educational division of the Oklahoma public relations committee, in sponsoring 11 insurance schools to begin sessions shortly after Sept. 1. They will be held at Vinita, Woodward, Enid, Clinton, Lawton, Altus, Muskogee, Ardmore, Stillwater, and one in Kay county, and will be open for enrollment of agents from all surrounding towns.

Canadian Supts. to Meet

The annual conference of Assn. of Superintendents of Insurance of Canada will be held at St. Andrews, N. B., Sept. 6-8. The agenda is as follows:

Sept. 6: Presidential address, Stanley W. Taylor, British Columbia; valuation of securities, Georges Lafrance, Quebec; life insurance legislation, E. B. MacLachy, New Brunswick; bailees insurance, R. B. Whitehead, Ontario; licensing and regulation of agents, Mr. Lafrance.

Sept. 7: Automobile assigned risk plan, Herbert Hunter, Manitoba; automobile insurance legislation and forms, Mr. Whitehead; insurance law revision, Mr. Whitehead.

Sept. 8: Insurance law revision (continued).

Cotton Veteran Retires

R. B. Berkeley is retiring as deputy manager of Cotton Insurance Assn. at Atlanta. He has been with C.I.A. 43 years. At one time he was in charge at Memphis. He started with the organization a year after it was organized.

Goodale Makes Change

Percy A. Goodale, Jr., has joined the Boston general agency of Boit, Dalton & Church. He entered the business in 1936 with Preferred Accident at Boston and after serving in the navy during the war, has been with Maurice H. Savat at Boston.

Mich. Field Groups Hold Annual Rallies

Michigan Fire Underwriters Assn. and Michigan Blue Goose held their annual meetings last week at Traverse City. More than 200 attended.

E. C. Sapley, Great American, is the new president of the Fire Underwriters Assn. Russell Heindel, London Assurance, is vice-president; Roland H. Lange, Hartford, is secretary-treasurer, and Marv Leahy is assistant secretary.

Talks were given by E. H. Born, manager of Western Underwriters Assn., and A. H. Wishard, secretary of Northern Assurance.

Retiring President John R. Horn, Travelers Fire, was presented a traveling bag and an inscribed gavel.

The Blue Goose elected Denley I. Priest, Underwriters Adjusting, as most loyal gander; F. R. Grosvenor, Fidelity & Guaranty, supervisor; Russell Heindel, London Assurance, custodian; William Schreiber, National Union, guardian; Elmer E. Sademan, Agricultural, keeper, and Fred A. Krussman, North British, welder. The afternoon was given over to a golf tournament for the "Stu" Morgan trophy, which was taken by Thomas Howarth, Camden.

Clarence Herrick, Yorkshire, deputy M.L.G.G. and Michigan candidate for grand nest in 1950, was speaker at the banquet. His subject was the history of Blue Goose. W. P. Van Wormer, Phoenix of Hartford, spoke on the puddles in the state.

Retiring M.L.G. Irving McKay, Northern of England, presided. Twelve goslings were initiated.

New Fire Company Is Launched at Little Rock

LITTLE ROCK—A new domestic fire company, "Riverside Insurance Co. of America," has been formed here headed by Raymond Rebsamen, prominent Little Rock business man and auto dealer, as president. Jack East is vice-president; W. J. McMullen, secretary, and Mrs. Norma Martin, treasurer.

Subscribed capital of the new corporation is \$100,000, with \$50,000 paid in, and an additional \$25,000 posted for a surplus fund. Mr. Rebsamen is principal stockholder. Riverside will have a multiple line charter, although it is expected to limit its writings to fire and allied lines and automobile material damage coverages, Secretary McMullen said. He is to be the general manager.

Headquarters of Riverside for the time being will be in the offices of Rebsamen & East, Little Rock local agency. Mr. McMullen stated that the new company will use bureau rates and filings in both fire and automobile lines. It is expected to begin operation July 1.

New officers of Insurance Women of Zanesville are Mrs. Marianna Mack, president; Miss Hilda Hughes, vice-president; Mrs. Nadine Ross, secretary, and Miss Rose Marie Mattingly, treasurer.

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Duxbury Utters Word of Caution

(CONTINUED FROM PAGE 3)

insurance on a national basis, and extended coverage has had rather general acceptance on a nationwide pattern of coverage.

He recommended consideration of a central research group to study and review coverage, forms, clauses and rules from a national viewpoint.

Chris D. Sheffe, U. S. manager of London Assurance, in reporting for the public relations committee, described the work of the state fire prevention associations, particularly the town inspections at Elkton, Md., Vineland, N. J., and Canastota, Brockport, Gowanda and Larchmont, N. Y. He said 60,000 copies of E.U.A.'s booklet on "Church Insurance for Clergy and Lay Trustees" had been distributed by member companies. There also has been a demand for the booklet "Rules for Safety of Hospital Patients in Case of Fire."

Other Committees Report

The loss adjustment practices committee, under William A. Hebert, president Springfield F. & M. met with several members of the Loss Executives Assn. The latter held its annual conference at Manchester just preceding E.U.A. Fred W. Stein, vice-president of Glens Falls, chairman of delinquent agency balances committee reported a gradual yet marked change in the agency balance situation. Members will be urged to review agents accounts on at least a quarterly basis and make full use of the credit checking plans of the association where necessary.

The executive committee under John A. North, vice-president Phoenix of Hartford and other committees also met and reported.

Among them were the newly formed trade practices research committee,

under Joseph K. Hooker, vice-president Automobile; conference committee, Donald C. Bowersock, president Boston; rating methods research committee, under Chairman A. L. Polley, vice-president Hartford Fire; and committee on consolidations, Harry W. Miller, U. S. manager Commercial Union.

Sub-Committee Shifts Valuation Date to Dec. 31

(CONTINUED FROM PAGE 2)

port, there were 83 privately purchased railroad corporate issues held by insurers, 429 utility issues, and 204 industrial and miscellaneous issues, for a total of 716. As of Dec. 31, 1948 these figures had risen to 94, 866, 1,396—for a total of 2,356.

The very real problem is in classifying borderline cases where eligibility for amortization cannot be clearly established, and the problem occurs on private purchases each year. If it cannot be definitely classified as a prime security and therefore eligible for amortization, then what market values should be used thereon? In addition to the 2,356 privately purchased issues referred to in the subcommittee's compilation, there are about 50 privately purchased oil and gas loans, 30 loans to newspaper publishers, 15 bottling company loans and some 60 farm cooperative loans held by insurers. Each of these loans is a special type of financing that requires special analysis and study for valuation purposes. Valuation cannot be on a mechanical but must be on a judgment basis. There should be some basis of determining values on securities not quoted, which can be done only by developing valuation standards and criteria applicable to each class of business and then applying such standards and criteria to securities issued by corporations in that classification. It will be the job of the enlarged committee office to gather such information.

Gladys Main Is New Women's Head

Miss Gladys C. Main of the Frank Burns office at Seattle was elected president of National Assn. of Insurance Women at Miami Beach. Mrs. Eleanor A. Sage of Topeka is first vice-president; Miss Mary Gambill of Little Rock, second vice-president; Miss Zora Wohlstein of Columbus is treasurer; and Viola Larson of Tacoma, Wash., corresponding secretary and Miss Elizabeth De Cesari of Woodbury, N. J., recording secretary.

Boston was selected as the 1950 meeting place. The mid-year meeting will be at Chicago Sept. 24-25. A resolution was adopted opposing compulsory health insurance. Registration was 567.

Directors are Miss Kay Dougherty, New York; Edna Mae Gay, Nashville; Mrs. Velma Jones, Tampa; Mrs. Christine Bushwald, Cleveland; Miss Ellen Swenson, Sioux Falls; Miss Gertrude Cobb, Houston; Miss Emma Renk, Denver, and Miss Frances B. Gray, Los Angeles.

The educational achievement award, a courtesy of Florida Field Conference, went to Insurance Women of Pittsburgh; mileage award, courtesy of Florida Assn., of Insurance Agents, to Insurance Women of Dallas; and the membership award for clubs with less than 50 members, to Insurance Women of Columbus. The bulletin contest award went to Insurance Women of New Orleans, the award being a courtesy of Miss Helen Stombs, of N.A.I.W.

O'Neil Joins Underwriters

John W. O'Neil has joined the Underwriters' Adjustment Service of Boston as adjuster for automobile, fire, theft and collision, inland marine and casualty. During the war, Mr. O'Neil was

in government service in charge of liquidation of claims and cancellation of contracts. More recently he has been with another adjustment company in the east.

A talk on "Insurance" will be given by Louis LaBow, president of LaBow, Haynes Co., Inc., at the annual convention of the Pacific Coast Assn. of Port Authorities July 21-23 at Seattle.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago.

	Div.	Bid	Asked
Aetna Casualty	3.00	75 1/2	77 1/2
Aetna Fire	1.80	51	52 1/2
Aetna Life	2.50	50	51
American Alliance	1.10	22	23
American Auto	1.60	44	46
American Casualty	.80	12	13
American (N. J.)	.70	15 1/2	16 1/2
American Surety	2.50	54	55 1/2
Boston	2.40	60	62
Camden Fire	1.00	19	20
Continental Casualty	2.00	49 1/2	50 1/2
Fire Association	2.50	57	59
Fireman's Fund	2.60	77	79
Firemen's (N. J.)	.50	15	16
Glens Falls	2.00	47	48 1/2
Globe & Republic	.50	9 1/2	10 1/2
Great Amer. Fire	1.30	31 1/2	32 1/2
Hanover Fire	1.40	30	32
Hartford Fire	2.50	119	122
Home (N. Y.)	1.40	27 1/2	28 1/2
Ins. Co. of North Am.	3.50	98 1/2	100
Maryland Casualty	.50	12 1/2	13 1/2
Mass. Bonding	1.60	25	26
Merchants Fire, N. Y.	1.15	24	25 1/2
National Casualty	1.45	24	25
National Fire	2.00	50	52
New Amsterdam Cas.	1.20	30 1/2	31 1/2
New Hampshire	2.00	41	43
North River	1.20	23 1/2	24 1/2
Ohio Casualty	1.00	50	50 Bid
Phoenix, Conn.	2.00	80	82
Preferred Accident		3 1/2	4 1/2
Prov. Wash.	1.40	31	32
St. Paul F. & M.	2.25	81	83
Security, Conn.	1.40	31 1/2	32 1/2
Springfield F. & M.	1.90	41	43
Standard Accident	1.45	31	32 1/2
Travelers	2.00	635	645
U. S. F. & G.	2.00	49	51
U. S. Fire	2.00	60	62

*Includes extras.

REINSURANCE

FIRE and ALLIED LINES

PRO-RATA AND EXCESS OF LOSS



NEW YORK

INTER-OCEAN REINSURANCE COMPANY

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Comparative Analysis of State TDB Laws Made by Life Insurance Assn. of America

	New York	New Jersey	California	Rhode Island
Type of Law	Competitive between state fund and private plans—employer must choose.	Competitive between state fund and private plans—former automatic if latter not elected by employer and majority of employees.	Competitive between state fund and private plans—former automatic if latter not elected by employer or with his consent, and by employees.	Monopolistic state fund—no private plans allowed in substitution.
Approach Used	Employer required to provide benefits—like workmen's compensation but employees share cost.	Tax supported state fund provides benefits—like unemployment compensation but private plans may be substituted.	Tax supported state fund provides benefits—like unemployment compensation but voluntary (private) plans may be substituted.	Tax supported state fund provides benefits—like unemployment compensation.
Types of Private Plans	Insured and self-insured plans equalling or exceeding statutory requirements, and continuation of certain other existing plans.	Insured and self-insured plans equalling or exceeding state fund standards, and continuation of certain other existing plans.	Insured and self-insured plans exceeding state fund standards.	None.
Limitations Upon Right to Establish Private Plans	None.	None if private plan does not exclude any class of employees, otherwise like California.	Must not result in substantial "adverse selection" against state fund.	
Benefit Payments Begin	July 1, 1950.	Jan. 1, 1949.	Dec. 1, 1946.	April 1, 1943.
Federal Unemployment Trust Fund Monies Used	None available for disability benefits.	\$50 million.	\$104 million authorized, none yet drawn down.	\$28 million.
Employer Contributions	1/2% of first \$60 of weekly wages.	1/2% of first \$3,000 of annual wages.	1% of first \$3,000 of annual wages.	1% of first \$3,000 of annual wages.
Employer Contributions Required	Balance of cost, if any.	1/2% of first \$3,000 of annual wages if in state plan; balance of cost, if any, if in private plan.	None.	None.
Experience Rating of Contributions to State Fund	The net effect of competitive premium rates will be substantially the same as the results of experience rating.	Yes, employer's share only.	No.	No.
Employers Covered	Employers of 4 or more on each of 30 days in one calendar year.	Employers of 4 or more in 20 weeks—same as unemployment compensation.	Employers of 1 or more and \$100 payroll in any quarter—same as unemployment compensation.	Employers of 4 or more in 20 weeks—same as unemployment compensation.
Employees Excluded	Farm laborers, day students, casual employees, employees of certain non-profit organizations, railroad and government employees, and certain others.	Farm laborers, domestic servants, students, employees of certain non-profit organizations, railroad and government employees, and certain others.	Farm laborers, domestic servants, employees of certain non-profit organizations, railroad and government employees, and certain others.	Farm laborers, domestic servants, and employees of certain non-profit organizations, railroad and government employees, and certain others.
Religious Exemptions	Christian Scientists, etc., may apply for exemption.	Christian Scientists, etc., may apply for exemption.	None, but certification of disability by practitioner is acceptable.	Christian Scientists, etc., may apply for exemption.
How Benefits Are Computed	Half of average weekly wage, subject to maximum.	Similar to unemployment compensation—depends upon wages in base year.	Same as unemployment compensation—depends upon wages in base year.	Same as unemployment compensation—depends upon wages in base year.
Statutory Eligibility Requirements	Generally four consecutive weeks of covered employment, not necessarily with current employer.	Earnings in base year of 30 times weekly benefit rate in covered employment.	Earnings in base year of \$300 in covered employment, but at least 30 times weekly benefit rate if 75% earned in single calendar quarter.	Earnings in base year of \$100 in covered employment.
Minimum Weekly Benefits	\$10, or average weekly wage, whichever is less.	\$9.	\$10.	\$10.
Maximum Weekly Benefits in State Plan	\$26.	\$22.	\$25.	\$25.
Maximum Duration	13 weeks.	26 weeks.	26 weeks.	26 weeks.
Waiting Period	7 days for each disability.	7 days for each disability.	7 days for each disability.	7 days for each benefit year.
Maternity Benefits	No.	No.	No.	Yes.
Duplication of Benefits with Workmen's Compensation	No.	No.	No.	Yes, up to a combined benefit of 85% of average weekly wage.
Effect of Continued Pay from Employer During Disability	None if voluntarily provided by employer, otherwise generally disqualifies for benefits.	Reduces benefits if total of benefits and sick pay would otherwise exceed regular wages.	Reduces benefits by amount of sick pay received.	None—benefits and sick pay may be received simultaneously.
Benefits for Disabled Unemployed Financed By	Assessments on insurance companies, self-insurers, state insurance fund and existing plans, without limit. Revolving fund set up by tax of 1/10% of wages both on employers and employees from Jan. 1, 1950, to June 30, 1950.	State plan, which may assess private plans for pro rata share of excess of cost over interest on \$50 million of initial fund. Assessment limited to .02% of taxable wages.	State plan, which may assess private plans for pro rata share of excess of cost over interest on \$132 million of initial fund. Assessment limited to .03% of taxable wages.	State plan.

NOTE: The legislature of Washington has also passed a disability benefits law, similar in many ways to the California law, but a referendum petition is expected to keep it from going into effect pending a popular vote at the next general election in November, 1950.

Indictment at Columbus

Edgar A. Sanders, who formerly operated Insurance Mart at Columbus and who still is licensed as the agent of several insurance companies, was indicted by the grand jury, after his latest venture, Spartan Building Co., had been

dissolved and a receiver appointed. Sanders is accused of embezzlement, grand larceny by trick, and obtaining money under false pretenses in connection with an \$897 payment for lumber on a home he was building for a client. One of the services offered by Insurance Mart, it is said, was baby-sitting.

Confer on Accounting Law

More than 100 representatives of Ohio insurers attended a conference at Columbus, at which Thomas Morrill, New York deputy superintendent, and James Higgins, director of the uniform accounting division of the New York department, explained the uniform accounting law now in effect in New York state, which has been approved by N.A.I.C. for nation-wide use. The conference was arranged by Superintendent Robinson of Ohio. Clyde Benoy of Motorists Mutual presided.

The engagement of Miss Sylvia Faye Lazarus, daughter of Arthur Lazarus, prominent Chicago broker, to Alan D. Rosenthal, assistant manager of the Van Goldman Agency of Prudential, has been announced. Miss Rosenthal graduates from University of Missouri in June. Mr. Rosenthal attended Northwestern University. The wedding probably will be in the early fall.

CHICAGO

50 YEAR CEREMONIAL

The Critchell-Miller agency of Chicago was honored on the 50th anniversary of its representation of American at a luncheon at which John P. Hoffmann, Chicago manager, and A. J. Andrews, marine supervisor at Chicago, presented the partners with a plaque and illuminated certificate. Clarence S. Pellet accepted the plaque in behalf of the partners, all of whom were present. The partners besides Mr. Pellet are Joe Folkers, Fred Pellet, Carl B. Rogers, Benjamin R. Horwich, Edwin P. Simon and Lyman Drake, Jr.

INSURANCE DEPT. TO MOVE

The Chicago branch of the Illinois insurance department will move about July 1 to the state office building at 160 North LaSalle. The room number will be 1140 and the space occupied will be about the same as that in the present offices in the Board of Trade building. The phone number will be changed to Financial 6-2000.

MOORE, CASE OUTING JUNE 23

The Moore, Case, Lyman & Hubbard agency of Chicago is holding its annual outing for all employees on June 23 at Villa Olivia golf club. There will be golf, baseball, lunch and dinner. The affair is planned by the employees association and sponsored by the management.

DIFFICULT RISK PLACERS

Because many insurance agents and brokers can't afford to spend the time necessary to place less desirable risks, the occupation of insurance placers has developed at Chicago. Operating both on the telephone and on foot, the placers canvass the various insurance offices, seeking a market for hard-to-place risks of others. In the course of their operations, these placers build up a familiarity with the market which the ordinary agent or broker does not have.

The placers operate on a commission basis getting a certain percentage of the producer's commission on each hard-to-place risk which they are able to cover. Frequently they can insure only a small portion of a difficult risk, sometimes their quests are fruitless, but some are able to earn a living at this activity. Most of the placers are insurance brokers themselves or former brokers, many of them being older men whose days of active solicitation of insurance have passed.

NEW YORK

ADA MacGREGOR ELECTED

Ada P. MacGregor of Johnson & Higgins was elected president of Insurance Women of New York at the annual meeting at New York City. Ruth M. Pierdon, New York Casualty, is vice-president; Frances J. Delph, America Fore, recording secretary; Geraldine A. Moffett, U.S.F.&G., corresponding secretary; Carl E. Waite, Travelers Fire, historian. The speaker was President John C. Stott of National Assn. of Insurance Agents.

REINS CLUB DINES JUNE 28

Reins Club of New York will hear Col. Van Sternbergh, national commander in chief of the Military Order of World Wars at its dinner meeting June 28. He will discuss military and naval affairs. The meeting is scheduled for the Golden Eagle restaurant, 62 West Ninth street. Hugh Stephenson, Bowes & Co., club president, will be chairman.

Twenty-three agents have enrolled in the June term of North America's school for agents at the head office, for an 8-weeks course covering all phases of fire, marine and casualty.

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How Employee Relations Affect Cost

(CONTINUED FROM PAGE 11)

ployees; reprimands are never publicly administered; suggestions for improvement are sincerely welcomed and full credit freely given to the responsible employee.

What about company B? Here are some of the verbatim comments made to interviewers by its personnel:

Reaction to "Secretive" Policy

"The only way you find out stuff around here is through the grapevine. The old girls all know what's going on, because they're friendly with the president's secretary. The rest of us know nothing."

"I went to lunch by myself for almost two weeks when I first came here. I would have quit except my mother was sick and we needed the money so bad."

"Over three years I've been here, on maybe a half-dozen different jobs. Not once did anyone ever tell us what to do. You just have to figure it out for yourself."

"Sure, our salaries are higher than in most other places in town. But it depends on who you know more than anything else. No wonder they want us to keep our salaries confidential."

"I used to study for the L. O. M. A. courses, but my supervisor got sore about it because he never took them. So I quit. Besides, you never get anything out of it even if you do pass them."

"They wouldn't let us have a Coca-Cola machine in here because they were afraid we'd waste time. How much time do they think we waste sneaking downstairs to the drugstore for a coke or a soda?"

"Mr. X (a supervisor) swears at his girls whenever they do something wrong. I wouldn't work under him if they fired me."

"I put in a good idea for a form letter but they told me it wouldn't work. Six months later they had the form letter being used almost the same as my idea. I didn't even complain to my supervisor, I was so disgusted."

Even good practices and good intentions can have poor results unless employees are properly informed. The management of a company outstanding for its excellent employee-management relationships, Mr. O'Toole related, took note of the inadequacy of the mirrors in the ladies' restrooms. At considerable expense it installed handsome, full-length mirrors. Executives waited for the pleased surprise of employees, but it was not forthcoming. Instead, the story filtered back to management that the mirrors had been installed at the suggestion of the company's planning department, and that each mirror contained a photo-electric eye that would record the number of visitors to the restrooms for each hour of the day. Tracked to its source, the rumor was found to have started from a joking remark passed by one of the members of the planning department to a friend in the elevator. A bulletin quickly scotched his silly story. But here, in a humorous incident, is a grim reminder that the building of successful employee-management relations is a job that will tax both the imagination and the patience of any top executive.

"In any employee group there will be developed either negative or positive attitudes towards any administrative action by which employees are affected," Mr. O'Toole concluded. "It is the responsibility of top management to see that these attitudes are favorable. Executives who succeed in so doing, establish a strong community of interest with

employees, and create an environment favorable to increased clerical production, improved operations and lowered clerical costs."

New Livestock Insurer

California Compensation Ins. Co. has entered the livestock mortality insurance field.

156 Attend Board Outing

There was a turnout of 156 for the annual supervising agency golf outing of the Chicago Board last week at Edgewood Valley Country Club. The eight qualifiers for the Board championship to be decided later in the summer are: Hugo Dalmar, Jr., H. Dalmar & Co.; Colin Tennant, Alford & Tennant;

W. H. Stevens, Fred S. James & Co.; E. S. Rand and Harry Johnson of Eliel & Loeb; Waldo Ames, Moore, Case, Lyman & Hubbard; A. L. Valentine, Baur, Christensen & Valentine, and B. N. Anderson, Anderson & Co.

Arrangements were in charge of R. T. Magner of Meeker-Magner. The festivities were concluded with a dinner.

J. P. O'Brien, vice-president and director of American Credit Indemnity Co., died suddenly at New York. He had been under the care of a doctor for some time, but his illness had not been regarded as serious.

Mr. O'Brien graduated from the business school of University of Pennsylvania, and shortly after became a special agent at Philadelphia for American Credit. He became Newark general agent for American and later represented the company in the New England area. In 1940 he was elected vice-president in charge of agents with head-

quarters at Baltimore. He was elected a director in 1946. Since 1948, his headquarters had been at New York.

Some 750 employees of North British took a day off for the company's boat ride and outing aboard the S. S. "Americana." The group went to Rye Beach on Long Island Sound to play baseball and other field sports. W. L. Nolen, assistant U. S. manager, and J. L. Magenheimer, secretary, accompanied the group.

John Rudolph, former major in the army, is now associated with the Leedy-Glover Agency of Birmingham.

Southern California Travelers Club, composed of the male personnel of the Los Angeles office of Travelers, held its annual field day with more than 200 in attendance.

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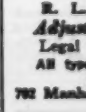
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Hopps Answers Downey's Letter

(CONTINUED FROM PAGE 3)

Also he said he objected to the alleged practice of the company purchasing securities of other companies in which the officers of Rhode Island were interested. He claimed Rhode Island's funds are invested in questionable securities.

Answer by Hopps

Mr. Hopps, in his answer, states that the examination on Sept. 30, 1948 was made by the examiners of Rhode Island, assisted by those from Pennsylvania, Indiana and Colorado and with examiners of California as observers. He said that Mr. Downey's letter inferentially casts a slur on the examiners of Rhode Island and he expressed the belief that the balance sheet figures produced were most conservative, that as a matter of fact, the surplus was actually considerably higher than that developed by the examiners.

There has been no inability, he said, to get out financial statements and the 1948 figures were filed on time in all states. The settlement of inter-company balances with Pioneer Equitable and the reinsurance of it is in the interest of all policy holders. These agreements were made only after extensive study by independent experts and after approval by the Rhode Island and Indiana departments. Mr. Hopps quoted Commissioner Viehmann of Indiana as stating that the agreement deals equitably and fairly with the contract and property rights of the policyholders of both companies.

Pro Forma Balance Sheets

The accountants of Rhode Island and Pioneer Equitable, and the auditing firms of Alexander Grant & Co. and Ferro-Berdon & Co. prepared pro forma balance sheets showing the effect of the settlement and that this would result in an increase in surplus to Rhode Island.

The California department, he said, never asked for any copies of work sheets, balance sheets, reinsurance agreements or other facts concerning the situation but at a distance of 3,000 miles attempted to have its own examiners interpret contracts without the benefit of conferences, interpretation or clarification.

Mr. Hopps categorically denied all allegations of mismanagement and hazard to policyholders claimed by Mr. Downey, said the management is proud of its strong new reinsurance which made a difference of several million dollars in protection afforded the policyholders, and this reinsurance, he said, was secured by the management on a personal basis.

Mr. Hopps states that no officer or director of Rhode Island is interested in any partnership or corporation acting as manager or agent of Rhode Island. There are no material accounting differences between Rhode Island and any other insurance companies.

Treats of Investments

Mr. Downey's discussion of investment practices does not apply to present management and Rhode Island states that its present portfolio is proof that since the present management has been in power, there have been no unusual security transactions; that unusual investments, even though sound, have been materially reduced and all assets are now carried in accordance with N.A.I.C. valuations.

"As regards alleged past operating losses, past practices and statements made by Mr. Downey as to his interpretation of present reinsurance contracts, present assets, present operating ratios, etc., our accountants and independent auditors employed by us differ so widely from Mr. Downey as to make the discussion of the situation almost ludicrous," the Hopps' statement declared.

Mr. Downey officially accepted a bid to participate in the convention exam-

ination now in progress, according to Mr. Hopps. "Then wilfully thwarting regular modes of procedure, and with utter disregard of the wishes of other states, Mr. Downey, after keeping the other states waiting over two weeks for the appearance of his examiner, without hearing and without notice to them or us, seized all our assets in California and was only stopped by federal injunction from taking our assets 'where-soever situated.' Further, Mr. Downey has written agents, banks, insurance commissioners and others denouncing our company and attempting to force a run on our assets that would ruin even the strongest carrier."

Cites Federal Specter

Mr. Hopps went on to say that Rhode Island is an exponent of state regulation "but you can well imagine how difficult it has been for us to parry the questions with the federal trade commission, of senators and the U. S. Department of Justice when, on its face, Mr. Downey's actions constitute an attempt at nationwide control by one state."

All that has ever been asked, according to Mr. Hopps, is the chance to review an examination report of Rhode Island, enter a rebuttal and abide by such legal decision as may be forthcoming after proper hearing and trial. Mr. Hopps stated that at a stockholders meeting March 29, with more than 75% of the stock represented, all the facts concerning the California case were explained and the stockholders unanimously upheld the management and ordered them to oppose "Mr. Downey's unwarranted and unreasonable demand."

"Our own accountants, independent auditors hired by our stockholders, and examiners representing some 40 odd states who are now engaged in the regular quadrennial examination have reviewed our books and found no evidence of insolvency or approaching insolvency."

Penfield to Am. Fore in Ore.

America Fore has appointed Richard J. Penfield, special agent in association with Lane Goodell, state agent for Oregon with headquarters at Portland. Mr. Penfield has been with General Adjustment Bureau for some time. He comes from a well known insurance family in Oregon.

Evelyn M. Wipf has been designated "Insurance Girl of the Year" by Insurance Women's Assn. of Portland, Ore. She was presented a loving cup at the annual installation dinner, when these new officers were installed: Mary Maggett, Pownall, Taylor & Hays, president; Madeline Dost, Hardware Mutual Fire, vice-president; Geraldine Munson, Peninsula Mortgage Co., secretary and Betty Kager, Oregon Insurance Rating Bureau, secretaries; Jacqueline Fraher, H. F. Leonard Co., treasurer.

Convention Dates

June 23-25, National Assn. of Independent Insurance Adjusters, annual, Book-Cadillac Hotel, Detroit.

June 24-30, National Assn. of Insurance Commissioners, annual, Olympic Hotel, Seattle.

June 28-29, Ohio Fire Underwriters Assn., Cedar Point.

June 29-July 1, International Assn. of Insurance Counsel, annual, Mt. Washington Hotel, Bretton Woods, N. H.

June 26-29, National Assn. of A. & H. Underwriters, annual, Hollenden Hotel, Cleveland.

Aug. 8-10, Federation of Insurance Counsel, annual, Moraine-on-the-Lake Hotel, Highland Park, Ill.

Aug. 22-24, International Federation of Commercial Travelers, Manor Richelleu, Murray Bay, Canada.

Aug. 23-26, Grand Nest of Blue Goose, Olympic Hotel, Seattle.

Aug. 28-30, Washington agents, Olympic Hotel, Seattle.

Sept. 1-3, Oregon agents, annual, Multnomah Hotel, Portland.

Sept. 5-9, American Bar Assn., insurance section, annual, St. Louis.

Sept. 8-10, Idaho agents, annual, Shore Lodge, McCall.

Sept. 10-14, Western Underwriters Assn., mid-year, Greenbrier, White Sulphur Springs.

Sept. 11-13, Pennsylvania agents, annual, Bedford Springs.

Sept. 11-13, Montana agents, annual, Baxter Hotel, Bozeman.

Sept. 12-13, Utah agents, Hotel Utah, Salt Lake City.

Sept. 12-14, National Assn. of Mutual Insurance Companies, annual, Salt Lake City.

Sept. 14-15, New Hampshire Agents, Wentworth Hotel, New Castle.

Sept. 15-16, New Jersey Agents, annual, Haddon Hall, Atlantic City.

Sept. 18-21, International Claim Assn., annual, Hotel Sagamore, Lake George, N. Y.

Sept. 19-22, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Sept. 25-28, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint annual meetings, Hotel Greenbrier, White Sulphur Springs, W. Va.

Sept. 28-30, C.P.C.U., annual, Baker Hotel, Dallas.

Sept. 30-Oct. 1, Nevada agents, annual, Maples Hotel, Reno.

Oct. 19-21, Kansas agents, annual, Jayhawk Hotel, Topeka.

Oct. 10-12, National Assn. of Mutual Insurance Agents, annual, Congress Hotel, Chicago.

Return Jap Deposits

Bonds that were deposited before the war by six British insurance companies as condition for operating in Japan, have now been restored to those insurers by General Douglas MacArthur's foreign property division. The bonds were seized by the Japanese government at the outbreak of the war.

The city commission of Hollywood, Fla., has voted to request National Board to conduct a survey of the city in an effort to bring about a reduction in fire insurance rates. The action was taken at the instance of Fire Chief Cook.

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Illinois Elects

Robert K. elected president of writers Assn. week at Frer Eugene F. C.

The new Williams, A. Hertz is secretary of members of are John W. C. T. Carpen Miran, Atlas Assurance, and Attendance.

appointing. registration, number of the plans to attend.

Speakers at Samuel Levin, who dis policy; Waltons manage the new pu W.U.A. and Gibbs, footb who showed Two compa Seeley, assist Crum & For that organiza

Two States Texarkana

Committee tion Assn. a tion Assn. with citizens the state line fire prevention junior cham week of Nov Joining in posed campa organizations Carl S. Sn ciation's exec series of col activities whi associations putting over The Arkai President Jo dent C. D. Allison, Loui ley. The Tex Vice-president tary Julian S Ed Wright. The local c Jr., local ag of the fire pr Kansas Assn.

Tenn. Fire Meet at C

CHATTAN Graft, F. & president of t writers Assn. tions met her Egbert, Nort were W. T. dent, Nashvi Boston Fire, Peterson, E. Egbert were The Tennes W. E. Bethsh royal gander. Glover, Home C. M. Hunt R. Crocker, g Springfield, k ths, Jr., wicl ation was g ton of the Te Tennessee aimed its pro tote to cha January, 1950 e held. A. I

NEWS OF FIELD MEN

Illinois F.U.A. Elects Johnson

Robert K. Johnson, Aetna Fire, was elected president of Illinois Fire Underwriters Assn. at the annual meeting last week at French Lick, Ind. He succeeds Eugene F. Conour, North British.

The new vice-president is Harold N. Williams, American. Mrs. Ruth L. Hertz is secretary and treasurer. New members of the executive committee are John W. Fraser, Great American; C. T. Carpenter, America Fore; W. M. Miran, Atlas; Vincent Mooney, London Assurance, and D. E. Larson, Home.

Attendance was 64, which was disappointing. There was a high advance registration, but heavy rains caused a number of the members to cancel their plans to attend.

Speakers at the business sessions were Samuel Levin, Chicago insurance attorney, who discussed the New York fire policy; Walter Dithmer, public relations manager of W.U.A., who reviewed the new public relations program of W.U.A. and its objectives, and Ronald Gibbs, football and basketball official, who showed sports movies.

Two company officials attended, W. A. Seeley, assistant western manager of Crum & Forster, and R. H. Gregg of that organization.

Two States to Aid in Texarkana F. P. Drive

Committees from Texas Fire Prevention Assn. and Arkansas Fire Prevention Assn., held a two-day powwow with citizens of Texarkana, located on the state line, to plan a unified, two-city fire prevention effort, proposed by the junior chamber of commerce for the week of Nov. 15.

Joining in sponsorship of the proposed campaign are insurance and civic organizations in both cities.

Carl S. Smalley, the Arkansas association's executive secretary, showed a series of color slides depicting various activities which the two fire prevention associations are ready to provide in putting over its safety campaign.

The Arkansas delegation included: President John M. Miller, Vice-president C. D. Swan, Jr., Secretary Dick Allison, Louis P. Cryer and Mr. Smalley. The Texas committee consisted of Vice-president Reg Helveston, Secretary Julian Speed, Harold Smithson and Ed Wright.

The local chairman is W. J. Springer, Jr., local agent, who is also chairman of the fire prevention committee of Arkansas Assn. of Insurance Agents.

Tenn. Field Groups Meet at Chattanooga

CHATTANOOGA — Charles H. Graff, F. & G., Nashville, was elected president of the Tennessee Fire Underwriters Assn. as the three field organizations met here. He succeeds George M. Egbert, North British. Others elected were W. T. Huff, Security, vice-president, Nashville, and Henry Roberts, Boston Fire, secretary, Nashville. R. A. Peterson, E. Robert Timberg and Mr. Egbert were added to the board.

The Tennessee Blue Goose elected W. E. Bethshares, North America, most loyal gander. Other officers are Glen Glover, Home, supervisor; W. P. Deese, C. M. Hunt agency, custodian; Macon R. Crocker, guardian; Mayhew P. Jones, Springfield, keeper, and Charles E. Griffiths, Jr., welder. A review of state legislation was given by Charles T. Houson of the Tennessee department.

Tennessee Fire Prevention Assn. retained its present officers following a vote to change the fiscal year to January, 1950, when the elections will be held. A. R. Glascock, Pure Oil Co.,

showed a motion picture, "Servant or Destroyer."

Alabama Field Men Elect W. W. Branch President

The new president of Alabama Field Men's Assn. elected at the annual meeting at Mobile is W. W. Branch of the Boykin, Branch managing general agency, Birmingham. John Kitchens, Atlas, is vice-president, and William K. Hughes, Bankers F. & M., is secretary-treasurer. New members of the executive committee are Gus Felgner, America Fore, and Ray Bennett, American. Speaker was Alexander Foreman, Mobile attorney, who discussed placement of insurance on the Mobile housing board by the U. S. government.

The business meeting was preceded by a day of deep sea fishing, boating, swimming and golfing.

Jaeger Opens New Kansas Office for Springfield

Dean S. Jaeger has been named state agent for Springfield F. & M. in Kansas in charge of a new field office at Wichita. Charles J. Gunther, who has been in the underwriting department in Chicago, has been named special agent at Great Bend to succeed Mr. Jaeger in that field.

Huffman Retires; Ky. Field in Charge of Mulligan

W. P. Huffman, Kentucky state agent of National Fire, is retiring at his own request under the company's disability and retirement plan. He has been serving in an advisory capacity since October, 1948, when John J. Mulligan was transferred to Kentucky as state agent, and hereafter Mr. Mulligan will assume entire supervision of the field.

Mr. Huffman has been with National Fire nearly 27 years, having been employed in 1922 as Kentucky and Tennessee state agent. He is retiring upon the advice of his physicians that complete relief from business activities and responsibilities is necessary to conserve his health.

Mr. Mulligan attended Northwestern University, and started with Western Actuarial Bureau. He has traveled for National Fire since 1947 and prior to his appointment to the Kentucky field was with the engineering department at Chicago and in Michigan as special agent.

Field Rally at Seattle

The semi-annual meeting of Washington Fire Underwriters Assn. will be held July 8 at Rainier Golf Club, Seattle. There will be a golf tournament in the morning, in which the field men will compete for the H. C. Coffman Cup and the D. K. MacDonald perpetual trophy and business session in the afternoon at which Frank C. Colridge, general manager of Pacific Board, will speak.

A cocktail hour and the annual banquet will complete the program. G. J. Dempsey, special agent for Crum & Forster, heads the committee on arrangements.

Ohio F.P.A. Meeting Plans

Fire Prevention Assn. of Ohio will hold its annual meeting June 30 at Cedar Point. R. R. Moulton, state director of commerce, will speak and past presidents will be presented framed certificates of appreciation of their efforts in behalf of fire safety. W. C. Fenner of Dayton, a fire safety clown, will put on a demonstration. Walter Dithmer, field supervisor of Western Underwriters Assn., will speak.

The Sam Coldwell Memorial Cup will be presented by the Speakers Club to the field man who has done the best bit of public relations work in the past year.

Robert Leedy, president of the club, will make the presentation.

Ohio Fire Underwriters Assn. will hold its annual meeting June 29.

Ohio Farmers Is Host

The Western Reserve puddle and Cleveland Field Club annual golf party was held at Westwood Country Club at Leroy, with Ohio Farmers as host. Lunch was served on the lawn and chicken dinner for 77 members and guests at Westwood Inn. Z. E. Moul, Ohio Farmers home office, was awarded a new rotating cup donated by A. W. King, manager Underwriters Adjusting, for low net. Low gross was carded by D. Richard Stamp. The committee consisted of S. M. Klem, Underwriters Adjusting; Wade Wissler, Automobile; Walter Weldon, Security of New Haven; Perry Holm, Fireman's Fund.

Foster and Butler in National Field Posts

National Fire has appointed Charles O. Foster as state agent at Newark, and Clarence A. Butler as special agent for eastern New York at Albany.

Mr. Foster, a graduate of Rutgers, had considerable field experience before

enlisting in the navy in the last war where he attained the rank of lieutenant commander.

Mr. Butler joins National Fire after a number of years in local agency work. He has completed home office training.

Austin Puddle Elects

New officers of the Austin, Tex., puddle of Blue Goose are: H. G. Reinhackel, general agent, big toad; John W. Gainer, Hammerman & Gainer, polliwog; Girard A. W. Kinney, Crum & Forster, croaker; and E. B. Porter, Porter Adjustment Co., bouncer.

Barnett to Wash.-Idaho

Benjamin Barnett has been named special agent for North British in Washington and northern Idaho. He will assist State Agent Harry C. Rowles with headquarters in the New World Life building, Seattle. He has been with North British a number of year at San Francisco.

Gamble Insurance Agency, of Warren, O. is moving into its new office building at 420 High street, N. E. There will be a formal opening Saturday of this week, with luncheon for guests at Trumbull Country Club.

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EDITORIAL COMMENT

Another Public Relations Case

Recently the agents of Fort Madison, Iowa, were startled to see an editorial in the "Evening Democrat" headed "Checking Fine Print of Fire Insurance May Burn You Up." Purporting to discuss coinsurance, the editorial told property owners to "discover how bad a beating they will take in case of fire." It contained the following completely inaccurate and highly offensive statement:

"If you have paid for \$15,000 worth of insurance on a \$12,000 house, with an 80% clause, you could collect only \$9,600 if the house burned to the ground."

The balance of the editorial was accurate as to the working of the coinsurance clause, but hostile in its implications and also way off base in that it conveyed the idea that dwellings are usually insured subject to coinsurance.

When the Fort Madison agents properly protested, they were told that the editorial had been syndicated by Newspaper Enterprise Assn. The editor was fair minded enough to listen to the insurance agents' side of the story and run another editorial on the subject. When he wrote NEA, however, he received a reply which, without straining the expression, could be properly called arrogant. It said that the "facts" had been "confirmed in detail" by the home office of one of the largest fire insurance companies "which is amazed that insurance agents misunderstand the coinsurance clause so that they do not recog-

nize the accuracy of the editorial." It dismissed the point about coinsurance being seldom applied to dwellings with the statement that Iowa might be a state not using "the New York type of contract" (it does use it) and the suggestion that the local editor should have found out the situation and revised the editorial.

Of course, it would have been desirable if the editor had consulted local insurance men before running the editorial at all, but he should scarcely be blamed for assuming that material from a recognized and well known syndicate was accurate. As things turned out, both he and the Fort Madison agents deserve a compliment for their handling of an unfortunate situation. And, despite NEA's supercilious attitude toward a subscriber and customer, it is a reasonably good bet that the editorial will not be syndicated further without alteration, although it may appear in other papers as a result of the first mailing. It has already turned up in dozens of papers.

The incident, however, certainly points up a weakness in the public relations of the insurance business. That a recognized national syndicate should claim that an obviously erroneous statement has been confirmed by the home office of an outstanding fire insurance company is not a laughing matter. Every effort should be made to minimize, if not eliminate completely, such misunderstandings.

Department Activity in Management

Recently there were two items of news from the New York insurance department: It issued a pamphlet on non-occupational disability to 85,000 insurance producers in the state and R. E. Dineen, superintendent, announced he planned a trip to Europe to study health insurance plans and their effect on private insurance.

The first deals with an accomplished fact, the New York disability law; the other points toward the future, the possibility of compulsory prepaid health insurance on a wide scale in the United States.

The two items suggest a pattern that is becoming more important under state rate regulation and consequently of more significance to the insurance business: That state insurance departments, commissioners and personnel, are active partners in the business and are participating in the management—to what-

ever extent the thinking and activity of department personnel influence the future course of the business. Regulation has shaped this course in the past but by no means to the extent it is doing now and will in the future.

Take the New York disability law and Mr. Dineen's trip as examples. They reflect positive action to maintain and encourage state supervision and private insurance, which have grown up together. The New York department had a persuasive influence in making the law a subject for private insurance, not a state fund solely as in Rhode Island and as is being pushed in Massachusetts, nor a hybrid as in New Jersey and California, but wholly to be handled by the existing insurance business with the skill, resources and personnel it has developed over the years. It exerted other influences, even to the extent of devising provisions that would

make procedures as simple as possible and thus hold down costs and reduce the problems for both insurers and insured.

The industry may have wanted somewhat different legislation. Not all of the setup as projected may be liked by the business. But we are sure the department believes it struck a good blow for private enterprise, and under the circumstances it is hard to say it did not.

One effect of the kind of law the New York department helped shape is entry into non-occupational disability coverage planned by multiple line casualty companies that have not written it elsewhere—Hartford Accident, U. S. Casualty, Indemnity of North America, Massachusetts Bonding, etc. Because the law is a part of the workmen's compensation law and coverage moves on around the clock where w.c. leaves off, these companies recognize the necessity of protecting their w.c. business—by writing the new line.

Secondly, the New York department intends to be forearmed on health insurance, to the extent of knowing what has happened in Europe. The reason for this probably is the belief, held by others as well as the department, that compulsory prepaid health insurance of some kind is going to come in the U. S. Politicians in Washington are intrigued by the popular appeal of the compulsory medical plan in England. Although President Truman's health program has little chance—this year—a strong vote getting idea isn't going to be put in a drawer and forgotten. Alternative plans have been submitted, and it is regarded as possible that some of them may prevail.

Mr. Dineen's interest in securing more than a surface grasp of the subject and a better than cursory understanding of the experience that is available is understandable in view of his past performance. It is understood New York state made a wide check of compulsory prepaid medical protection and rejected it.

It can be assumed that Mr. Dineen is thinking of potential adoption of one of these health plans and whether or not it can be integrated with private insurance at the state level. The insurance

business is interested. More important politically, the medical profession is, and there is the problem of preserving the freedom and integrity of the medical profession. Can private insurance, including the large mutual life companies, be utilized at the state level to write it? Non-occupational disability cover written by private carriers may point the way.

Although basically the insurance business has the job of preserving existing values and tends to be cautious in undertaking new projects, there are leaders in life insurance who believe it is a responsibility of management of so important a part of the nation's economy, to study prepaid medical insurance, in view of the possibility some such scheme may be legislated. Whether for or against such a scheme, if there is a wide popular demand for it, or if the politicians believe there is, these leaders believe they ought to know something about the field if they are intelligently and with the full responsibility that they carry, to reach conclusions and make decisions regarding the participation of private insurance in such a project.

They might well desire to stand by and have nothing to do with such a scheme because of their belief in individual responsibility for working out these matters, but if there is a chance that some such plan will develop, they might find themselves watching the procession go by and never be able quite to catch up with it again.

The business as a whole and state insurance departments have fought for state regulation since the D day of the S.E.U.A. Supreme Court decision. State regulation has been greatly strengthened. Today that regulation is not altogether a matter of saying no. The role of the supervisory authorities is more influential and positive and it is likely that in part at least insurance is going to be what insurance commissioners think it ought to be.

The disability law in New York illustrates that a department can exert a strong influence on legislation arising from the modern pressures for social insurance services. It demonstrates that departments have a stake with private insurance in the latter's future.

PERSONAL SIDE OF THE BUSINESS

Miss Estelle Geoghegan, daughter of T. M. Geoghegan, vice-president of Perkins and Geoghegan, Cincinnati, was married to W. J. Heckin of Cincinnati.

C. E. Richards, owner of Fort Madison Savings & Loan Insurance Agency, Fort Madison, Ia., was awarded honorable mention in the selection of the outstanding young man in Iowa for 1948 by Iowa Junior Chamber of Commerce. He has been head of the Elks

Club. He was an influential factor in a housing project and has been a leader in other civic affairs.

Frank Salisbury, president of the Kolob Corp. of Salt Lake City, general agents in the inter-mountain region, has been at Chicago and at Dubuque this week. He has just completed arrangements to represent Dubuque F. & M. on a general agency basis in Utah and Nevada. Also, on July 1, he commences

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Hugh L. Mehorter, speaker of the house of the New Jersey legislature, who is a field man for Crum & Forster in south Jersey, with headquarters at Camden, received the meritorious service award of the department of New Jersey, Veterans of Foreign Wars, at its convention at Wildwood, N. J.

Rodney Barrus, Wyoming commissioner and Mrs. Barrus announce the engagement of their daughter, Ione, to Dale W. Haines, son of Mr. and Mrs. Paul M. Haines of Cheyenne. The wedding takes place Aug. 7. Miss Barrus attended University of Wyoming and is a musician. She is with veterans administration at Salt Lake City and is studying music there. Mr. Haines attended University of Wyoming and after serving in the army was employed by Wyoming state highway department. He has been attending Memphis State College and is entering University of Utah this fall.

Carl W. Trapp, secretary of Western Millers Mutual Fire, is in Menomath hospital at Kansas City, recovering from a serious illness.

In recognition of 20 years with Northwestern Mutual Fire, **Kermit K. Farwell**, assistant manager of the midwestern department, was awarded a pin at a luncheon in Chicago. The presentation was made by L. D. Brill, president.

H. Clyde Edmundson, vice-president and Pacific Coast manager of America Fore, has been elected president of Stock Exchange Club of San Francisco. Insurance executives occupy an important place in the club and there is an insurance round table that is filled almost every noon.

Chase M. Smith, Jr., son of the general counsel of the Kemper companies, and Mrs. Smith, was married to Esther Hayes, daughter of Mr. and Mrs. Raymond Hayes of Highland Park, Ill. Mr. Smith has just graduated at Lake Forest College and is entering the advertising business at Chicago.

Kennedy Williams, son of E. L. Williams, president of Insurance Executives Assn., was married at St. James Church, New York City, to Ellen Whitman Breed, daughter of Mr. and Mrs. William Constable Breed, Jr. There was a reception at the Colony Club. Kennedy Williams just graduated at Princeton.

Forrest H. Witmeyer, president of Excelsior of Syracuse, will be host at a gathering of the agents advisory councilors, directors and field men at Sherwood Inn, Skaneateles, N. Y., June 26-27. The council numbers 30 agents. On June 26 there will be golf and swimming, a cocktail party and dinner. The next morning there will be gathering at the home office with a buffet luncheon there.

L. C. Southall, a director and head of the American department of Willis, Faber & Dumas, underwriters at London Lloyds, will sail next week from New York for home after a three months visit in the U. S.

DEATHS

Emil C. Kosmak, who had a long career in fire insurance and related activities, died at Los Angeles at the age of 74. He started in the business in 1909 with the old Freeholders of Topeka, and was western department manager of Douglas Bros. of New York; was with Phoenix of Hartford, vice-president of Central States Fire; secretary of Guardian Fire of Salt Lake City; was with General Adjustment Bureau at Albany; traveled in various parts of the country for Alfred M. Best Co. and opened a coast branch for that organization. He formed Kosmak & Co., operating as a general agency, adjusters and insurance advisers at Phoenix, Ariz., and later became west coast manager for Recording & Sta-

tistical Corp. He retired in 1940 and since then developed cancellation tables. A son, Charles E. Kosmak, is with the Kemper companies at Los Angeles. The latter has a son in the insurance business, he being Charles J. Kosmak, who is home office group representative for John Hancock Mutual Life at San Francisco.

Russ Prater, Wichita agent and well-known housing developer, was instantly killed in an air crash near Wichita shortly after taking off in his personal plane for a business trip to Denver.

Milton E. Nelson, 29, vice-president of Sidney & Nelson & Son agency, Racine, Wis., president of Racine County Insurance Assn., died there. He became associated with his father in the agency in 1946 on his return from navy service.

Charles C. Garland, 54, senior partner in the Garrett-Cooley agency, Roxboro, N. C., died after a long illness.

George W. Braun, 54, staff adjuster in the loss department of North British & Mercantile, died suddenly at his home at Glendale, L. I. He had been with North British ever since entering the business in 1923. Before that he had played professional and semi-pro baseball.

Col. Joseph W. Becker, 68, vice-president for 25 years of Gurney, Overturf & Becker, Buffalo agency, and retired commander of the 174th Infantry, New York National Guard, died after a year's illness. He had been with Gurney, Overturf & Becker for 48 years.

Herman C. Miller, 60, veteran local agent at Waterloo, Ia., died there of complications incident to leukemia. He had been in failing health since 1947. After graduating from University of Iowa in 1908 he went with Iowa Manufacturers Fire, now Iowa Fire. He had continued as a director of that company, now controlled by Aetna Fire. Mr. Miller founded his own agency in 1910. His son, James, who has been a junior partner, will continue the agency.

L. M. Koon, 62, manager of Oregon automobile assigned risk plan and Oregon Casualty Assn., died of a heart attack. He had lived in Portland 37 years and was in the insurance business there for many years prior to his appointment as chief examiner for Oregon Casualty Assn. about 11 years ago. When Oregon automobile assigned risk plan was formed in 1943, Mr. Koon was appointed manager and held that position until his death. He suffered a cerebral hemorrhage in April which left his left side paralyzed. However, he was able to go to the office and conducted the annual meeting of the assigned risk plan May 27.

Gibson Browne, 58, St. Louis manager of Western Casualty & Surety, died of a heart attack in a state highway patrol office at Frankfort, Ky., where he had stopped on business.

Vernon W. Aikens, 52, of Sault Ste. Marie, Mich., president of Sault Assn. of Insurance Agents, died following the second of two acute heart attacks. He entered the business in 1927 but, because of a connection with a drug company, temporarily left insurance for a number of years, resuming his agency business in 1937.

Frank W. Fiske, Jr., 83, president of Armstrong-Roth-Cady Co., Buffalo, died suddenly. He was active in the insurance field for 65 years, beginning as an office boy with Smith-Davis agency. He worked his way up to marine clerk in 1888, launched his own business that year and in 1891 became a partner in E. C. Roth & Co. In 1907 the present firm was formed by the merger of E. C. Roth & Co., Armstrong & Husted and Cady & Perkins, Mr. Fiske becoming secretary. He became president of the agency in 1927. He was past president of Buffalo Assn. of Fire Underwriters.

John W. Gahan, 63, partner in Boit, Dalton & Church, Boston general agency, died suddenly at his home at Newton Center, Mass. He started in business in Boston almost 50 years ago and at one time was a partner in Wil-

liam A. Hamilton & Co. He became a partner in Boit, Dalton & Church in 1933 when it took over Hamilton & Co.

Hendricks Dies; Headed Risk Engineering Firm

Allen E. Hendricks, head of Hendricks Engineering Co., with head office at Chicago, and with numerous branches throughout the country, died suddenly



ALLEN E. HENDRICKS

at Los Angeles Sunday. He was there with Mrs. Hendricks. They had bought a home there three days earlier and he was planning to make his headquarters on the coast. He was something over 54 years of age.

Mr. Hendricks at one time was chief engineer for the Pearl group. About 10 years ago he set up his own business of fire prevention, maintenance and accident prevention services for insurance companies and corporations and about six years ago the business was incorporated.

Mr. Hendricks started with Protection Mutual Fire of the factory mutual system at Chicago and then was with Swords Bros. of Rockford, Ill., in the sprinkler business. His next move was to the old Western Sprinkled Risk Assn. as special agent at Chicago. Then in 1930 he went with Monarch Fire of Cleveland as vice-president and went on to be chief engineer of Pearl when the latter company took over Monarch and Eureka Security.

Tunnel Loss \$600,000

NEW YORK—The total insurance loss to 54 stock companies and London Lloyds which insured the Port of New York Authority, as a result of the explosion of a truckload of chemicals in the Hudson Tunnel, apparently will run about \$600,000.

Anderson Mo. Chief

H. M. Anderson, Grain Dealers National Mutual Fire, was elected president of 1752 Club of Missouri, at the annual meeting at Columbia. William Dow, Lumbermen's Mutual of Mansfield, is vice-president and James R. Pound, Iowa Mutual Liability, secretary. An educational program for agents is being conducted.

Chattanooga Insurors Elect

CHATTANOOGA — Insurance Exchange of Chattanooga has elected Scott Brown to succeed Walter Greenspan as president. J. W. Olliphant is vice-president; James E. Watkins, reelected secretary.

Sherwood Talks at Pittsburgh

Pittsburgh Fire Loss Conference had D. B. Sherwood, general adjuster for the National Board as speaker at the June meeting. This was guest day and many

prominent Pittsburgh insurance men turned out.

Mr. Sherwood was introduced by Douglas W. Rodda, National Union, president of the conference.

Insurors of Memphis Elect

Barrow Simmons, Schumacher & Simmons, was named president of the Insurors of Memphis. Other officers are Tom Welsh, D. A. Fisher Inc., vice-president and Carl Stanton, secretary. Roy M. Bates, director of the financial responsibility division of the state finance department, was the speaker.

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Frank Kinzer New President of Virginia Agents

Roanoke Convention Gives Top Agent Awards to Theo Kelley

ROANOKE, VA. — Virginia Assn. of Insurance Agents, meeting here last week, elected Frank E. Kinzer of Covington as president to succeed Warren F. Curtis of Richmond. Mr. Kinzer, who operates his own agency at Covington, has been in the insurance business for 21 years and has served the association as vice-president and chairman of the board and as secretary-treasurer.

Other new officers elected are H. Linwood Ford, Richmond, vice-president and chairman of the board, and Walter G. Stevenson, Roanoke, secretary-treasurer. Roger Clarke, Fredericksburg, was reelected state national director. The officers were installed at the banquet by John C. Stott, president of the National association.

More than 450 attended the convention to hear a program of five speeches.

Kelley Wins Two Awards

The past president's award and the award of the Stock Fire Field Club of Virginia, the top association awards, were both given to Past President Theo W. Kelley of Richmond. The field club award is for outstanding achievement in the insurance business, the past president's citation is for the greatest contribution to the advancement of insurance.

A number of Roanoke business men attended the opening session at which talks were given by Lawrence Sullivan, executive director of "National Business News," and Walter M. Evans, counsel for Virginia Assn. of Business Men. Both speakers criticized government policies. John C. Stott, national association president, in his address urged that all segments of the industry stick together and not allow themselves to become divided by factionalism or sectionalism. Greater cooperation with state officials is essential. The primary job of reversing the trend to socialism must be done personally at the grass roots. Security is not the answer, Mr. Stott said, what people want is a chance to work out their own destiny.

List Possibilities of D.D.D.

An inspirational sales address was given by E. H. Luecke of the agency department of Fidelity & Casualty on "Selling D.D.D.—the Modern Crime Protection." He reminded the agents of the increasing need for greater concentration on selling and urged them not to overlook the vast possibilities in offering a broad, comprehensive policy.

Mr. Sullivan said that government spending is the cause for the greatest alarm in the country today. In the United States, he said, 32% of income goes for taxes, while in socialistic England, the rate is 40%. This ratio, he added, shows how close the U. S. is to socialism. No nation can endure a tax burden of more than 20% for a long period of time.

Mr. Evans stated that favoritism shown cooperatives in taxation "is rapidly assuming the proportions of a full-fledged racket." Additional billions of dollars in tax revenue would be available to government if cooperatives were

(CONTINUED ON PAGE 20)

Liability Claims Are Easier to Settle These Days

Claim men say that there is a pronounced improvement in the settlement of liability claims. Some long pending cases are being disposed of these days. It may be due to the fact that claimants need the money and are willing to reach an agreement now, rather than taking a chance of getting a larger amount by waiting it out. Also, it is theorized that plaintiffs' attorneys may be reading the economic omens and feel that it is better to make a settlement than to risk having the value of the claim descend in a deteriorating economy. Jury verdicts, so far, have not reflected the disinflationary times, but the lawyers perhaps apprehend that the trend of the verdicts is likely to be lower by the time their clients' cases are called for trial. The fact that the summer recess of the courts is at hand may be an influential factor in this regard. That is, by deferring a settlement until fall, the lawyers would be gambling on the economic situation two or three months hence.

Another sign of the times, as seen by claim men, is the fact that workmen's compensation claimants in increasing numbers are calling personally for their weekly checks. It seems to indicate that the claimant is pressed for cash. In the flush times, the claimants would wait to get their checks by mail. Now, they want to speed it up a day or two by calling in person.

Salley with Mass. Bonding

Massachusetts Bonding has appointed John Salley superintendent of the contract bond division at New York. He started with W. R. Grace & Co., then for 15 years was with Fidelity & Deposit and for the past eight years has been with National Surety in contract and miscellaneous bond underwriting.

Wichita Casualty & Surety Assn. closed the year with a stag buffet at the home of Chairman Homer H. Minnick, Central Surety, with a good turnout.

Leaders at Virginia Meeting



Jack Seide, president of Babaco Alarm Systems is flanked by J. Earle Dunford (left), executive secretary, and Warren F. Curtis, Richmond, retiring president, of Virginia Assn. of Insurance Agents at the annual convention at Roanoke.

Slump Hits Boiler, Machinery Line

The boiler and machinery insurers have run into an extremely soft situation that reflects, in full measure, the current slump in industrial activity. The downward tendency first became apparent in connection with the U. & O. line with multiplication of endorsements to reduce the exposures in respect of business interruption coverage. This was followed by a cutting down of direct damage cover, as many plants came to a standstill and others began to operate on a reduced schedule. The tendency seems to be to confine the insurance to exposures where the loss potentialities are very high. When all the machinery was humming and profits were high, there was pressure on the part of the assured for ever greater limits of U. & O. coverage, and also the fullest kind of direct damage insurance was sought. Now, insurance is being purchased on a highly selective basis, with the emphasis on protecting against the catastrophe hazard.

The boiler and machinery written premiums of stock and mutual companies in 1948 totaled about \$37 million. Prediction is that the record this year will be very substantially lower than in the last several years. A decline of as much as 30% in 1949 writings would not be surprising.

N. Y. Cancels Licenses of Four Am. Farmers Men

The New York department has revoked the licenses of C. J. Jeican, R. A. Compo, G. L. Steele, and E. J. Clark for representation in the state of an unauthorized insurer, American Farmers of Phoenix. The revocations were made after a hearing which determined that they had violated the law and were untrustworthy and incompetent to transact business as agents.

The four former agents had represented the company in the Watertown area, together with three other agents whose licenses were terminated by action of the companies which they had represented.

New England Agents in Big Turnout at Bretton Woods

Butler of N. A. I. A. Predicts Commissioner OK of MLR Plan

Approval by commissioners at Seattle of the latest plan for rating multiple location risks was predicted by Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, at the 25th annual meeting of the advisory board of New England Assn. of Insurance Agents at Bretton Woods, N. H. Mr. Butler has been active in the discussions within the fire companies and with commissioners on the multiple location problem, and he wielded much influence with Ivan Escott, vice-president of Home, in bringing out a program that might be acceptable.

About 400 attended the New England conference, which started off with a dinner at which Howard Allen, Burlington, Vt., advisory board chairman, presided. Harry Smart of the New Hampshire governor's council welcomed guests. Commissioner Knowlton of that state urged agents to be alert against the dangers of federal insurance regulation and declared unequivocally for home rule. Rev. John N. Mark, Unitarian church, Arlington, Mass., delighted the audience with his Scotch wit and impressed it with his New England philosophy.

Gallagher Featured

The differences between technocracy and bureaucracy in the insurance business were delineated by Russell B. Gallagher, insurance manager of Philco Corp. He emphasized the obligation that rests on the agent to fit rates and coverages to the individual needs of insured.

Mr. Butler commented on the agents' role in effecting a solution of the multiple location rating problem. The present proposal, he said, answers the criticisms aimed at plans previously put forward.

He said he hoped N. A. I. A. would set out a statement of principles on company-agency relations at the Chicago convention. Among other things, this should cover the area of commissions. These, he added, must be reasonable, and should form no part of a company's program of competition. Agents do not all perform the same kind and amount of services; they are entitled to remuneration adequate to cover their costs plus a profit, the costs being unequal in various parts of the country. The relation between companies and agents imposes obligations on both, and "the companies have particularly offended since their record for the most part reveals a unilateral attitude despised by agents."

Antipathy to Coercion

Mr. Butler expressed strong antipathy to coercion to force insured to buy coverage and he hoped the commissioners at Seattle would act in the matter. He does not object to anyone entering the business but he is opposed to anyone seeking special privilege, such as motor car dealers.

He said he hoped the troublesome problem of equitable apportionment of N. A. I. A. costs could be disposed of

(CONTINUED ON PAGE 20)

Closed Banks in Which Embezzlement Exceeded Bond

Below are presented a list of closed banks from the files of the Federal Deposit Insurance Corp., with the amount of bond and amount of embezzlement in each case, by states:

State	Bank	Bond	Embezzlement
Alabama	First National of Albertville	\$ 50,000	\$ 86,643
Arkansas	Bank of Swifton	15,000	65,112
	Bank of Marion	50,000	53,632
California	American Bank of Santa Monica	50,000	152,292
Connecticut	East Hampton Bank & Trust	25,000	81,478
	Plantsville National	20,000	131,348
Florida	Bank of Malone	10,000	128,945
Georgia	Claxton State Bank	15,000	47,395
	Chattooga County Bank, Summerville	20,000	35,713
Illinois	Rio State Bank	10,000	46,864
	First State Bank & Trust, Indianapolis	10,000	24,624
	Farmers State Bank, Cullom	10,000	108,728
	First National, Lemont	50,000	258,994
	Belleville Bank & Trust	100,000	277,859
	City National, Harrisburg	25,000	26,110
Indiana	Columbia State Bank, Columbia City	25,000	89,090
	Commercial Bank & Trust, Union City	25,000	34,636
	Brownsville State Bank	15,000	70,724
Iowa	First National, Burlington	50,000	401,354
Kansas	Exchange State Bank, Parsons	25,000	143,358
Kentucky	Taylor National, Campbellsville	25,000	149,196
	Farmers State Bank, London	10,000	26,331
	Commercial Bank, Liberty	10,000	51,260
Maryland	Savings Bank, Nanticoke	10,000	21,786
Mississippi	Bank of Baldwin	15,000	30,846
Missouri	Blue Springs State Bank	20,000	50,281
	Fayette Bank	10,000	11,175
	Citizens State Bank, Nangua	10,000	14,253
Nebraska	First National, Pender	10,000	11,801
New Jersey	Columbus Trust, Newark	200,000	657,000
New York	Fort Green National, Brooklyn	100,000	174,163
N. Carolina	Bank of Black Mountain	35,000	339,591
	Bank of Fremont	20,000	87,382
Ohio	Union Bank, Uhrichsville	25,000	472,415
Oklahoma	First State Bank, Cheyenne	21,000	38,542
	Guaranty State Bank, Clinton	10,000	21,937
	First National, Anadarko	25,000	74,425
Oregon	Harney County National Bank, Burns	15,000	416,778
Pennsylvania	Bank of American Trust Co., Pittsburgh	50,000	166,166
	Commercial National, Bradford	50,000	950,683
	Central City National Bank	20,000	128,371
S. Dakota	First National, Centerville	10,000	125,000
	Badger State Bank	5,000	5,132
Tennessee	Ripley Savings Bank & Trust	25,000	184,481
	Maynardville State Bank	10,000	43,011
Texas	Texas State Bank & Trust, Corpus Christi	30,000	44,837
	First State Bank, Arlington	25,000	139,691
	First State Bank, South San Antonio	50,000	68,198
Vermont	Poultney National Bank	25,000	78,441
Virginia	Farmers & Merchants, Fredericksburg	100,000	600,055
W. Virginia	Augusta County Bank, Churchville	15,000	42,445
	Farmers Bank & Trust, Charleston	25,000	571,557
Wyoming	First National, Evanston	50,000	227,058

F. & C. Managers Hold Conference at Chicago

The annual managers conference of Fidelity & Casualty for the entire country, except the Pacific Coast, was held at Chicago, Monday and Tuesday of this week. The head office delegation included vice-president M. J. O'Brien, Frank O'Brien and John Brodsky; Secretary Gilbert Kerr; Walter LeMunyon of the bank survey department; Ed Uhler, agency department; and Elmer Hey, liability and workmen's compensation department.

Some of the head office people went on to the coast to confer with the managers there and the company will also be represented during the convention of National Assn. of Insurance Commissioners at Seattle.

Sentence Wis. Embezzler

John K. Gill, assistant cashier of Bank of Madison (Wis.), has been sentenced to four years in the federal penitentiary for embezzling \$183,055. The bank had concurrent bonds with London & Lancashire Indemnity and Continental Casualty in the amount of \$200,000. Continental carried \$75,000 and the balance was with L. & L.

Gill's father is president of the bank and his brother, Charles, is a cashier. The judge in passing sentence commented on a statement made by the U. S. district attorney indicating that Gill had been previously involved in fund shortages with two other firms.

Minn. Grants 6.1% Raise

ST. PAUL—The full increase asked, 6.1%, has been granted by the Minnesota compensation insurance board following a hearing at which employers and organized labor opposed an increase of more than 4%.

It is estimated the higher rates, effective July 1, will add nearly \$1 million a year to premium income in Minnesota. The recent legislature increased maxi-

mum weekly benefits from \$27 to \$30 and death benefit from \$7,500 to \$10,000. The state board deferred action on the interstate rating proposal.

Warren's Bills Shelved

Danger of enactment of either of the compulsory health insurance measures that were desired by Gov. Warren of California are now considered slim. The senate measure has been killed and the house bill has been shelved.

Turley Omaha Manager

Home Indemnity has made Willard F. Turley manager of its new Omaha office. He formerly was special agent for the company at St. Louis, and will now supervise operations in Iowa and Nebraska. Andrew V. Redpath, formerly a trainee at the St. Louis office, will become special agent in southern Illinois and eastern Missouri.

W.C. Legislative Summary

Monopolistic state fund workmen's compensation bills were introduced this year in Idaho, Indiana, Massachusetts, New York, Pennsylvania, South Carolina and Hawaii, compared with the usual three or four that the industry faces. None of them has been successful. In New Jersey and Rhode Island occupational disease was made a wide open coverage. Indiana has established a second injury fund.

The installation banquet and dance of Insurance Women of San Antonio was preceded by a cocktail hour, sponsored by the San Antonio adjustment offices. L. C. Beery was toastmaster and Orlas Wolf, president San Antonio Insurance Exchange, installed Miss Audrey Jean Schulze, D. Sullivan & Co., as president; Dorothy Dean, A. B. Haston Claims Service, and Elma Rice, Texas Homes Ins. Agency, vice-presidents; Mrs. Genevieve Copeland, Griswold Adjustment Co., and Frances Nehr, R. R. Deen Adjustment Co.; secretaries: Josephine McDonald, Hilton T. Howell Co., treasurer.

Minneapolis Insurance Women's Assn. held its annual picnic June 21.

Ill. Legislature Moves into Its Closing Stage

Action of the Illinois house last week in killing all bills that had not passed committee struck out two measures that have been of concern to the insurance industry, one that would have raised the wrongful death limit to \$25,000, and another that would have set up a UCD program in the state. The senate last week killed an assigned risk plan for dram shop insurance.

The Illinois legislature will adjourn June 30 and the remaining insurance measures will get quick treatment. The house has passed the change in the dram shop law that would limit recovery to \$15,000 for injury or death and place a two-year limitation on actions. The bill is already up for passage in the senate. The house also gave approval to the measure permitting liability insurance on school buses. The agreed workmen's compensation and occupational diseases companion measures passed both houses and are before the governor.

The senate has passed the bill appropriating \$1,820,218 for ordinary and contingent expenses of the insurance department and the measure is up for action in the house.

Both houses have passed the bill that bars guests from taking action against aircraft owners or pilots unless there is wilful and wanton misconduct causing accident.

Additional \$3 Million RFC Funds for Preferred

Preferred Accident has completed arrangements with Reconstruction Finance Corp. for an additional \$3 million. The new funds will supplement original advances of \$5 million provided by RFC and will be used to provide the company with additional surplus to handle available business. Superintendent Dineen of New York has approved the transaction. The program was approved by Preferred's board and will be submitted to stockholders for approval July 14.

As of June 30, after allowing for the new money, the company will have assets of approximately \$16,100,000 and surplus to policyholders of \$5,100,000, including capital of \$1,230,000.

The transaction will be consummated by an adjustment of capital stock, under which the present cumulative preferred stock of one million shares, par value \$1 and liquidating preference \$5, will be reclassified as one million shares, par value \$1 and liquidating preference \$8. The dividend rate per share will be advanced from 20 to 32 cents. The interest rate on the RFC loans will remain at 3½%.

Klamath Falls Assn. Elects

Ernest M. MacBeth has been named president of the Klamath Falls (Ore.) Assn. of Insurance Agents. Others elected were Jerry Thomas, vice-president, and William E. Chilcote, secretary. Directors named were Dean Backes, V. T. Johnson and William F. McKibbin.

Hooper-Holmes Names Huhn

Herman H. Huhn has become Chicago manager for Hooper-Holmes Bureau to succeed Fred Jasper, who has opened his own inspection firm. Mr. Huhn has been in inspection work for 22 years, 15 of them with Hooper-Holmes in the east, most recently at Newark.

Thayer E. Merrill, representing the third generation of his family to enter the business, has become actively connected with Merrill & Co., Benton Harbor, Mich., local agency. He is the son of Richard M. Merrill, the agency's vice-president and treasurer, and grandson of D. D. Merrill, president and founder. He is a graduate of Purdue, where he specialized in business administration and insurance practice.

Markel Fleet Nucleus of New Aviation Pool

Aero Associates, Inc., a new aviation pool, has been formed to serve as



G. D. Holcomb, Jr.

the underwriting management organization for the Markel companies, American Fidelity & Casualty, and American Fidelity Fire, several other American companies to be announced shortly for both direct and re-insurance business, certain British companies and Lloyds.

The new organization will be staffed largely by former officials of the dissolved Aero Insurance Underwriters pool.

Chief officer is to be Donald Murray Stewart, former assistant general manager of Aero. He will be located in the headquarters office at 116 John street, New York. In charge of the Chicago office will be G. D. Holcomb, Jr., former branch manager at Chicago for Aero. The Chicago office will be located in the Board of Trade building. Also in Chicago will be James J. Mitchell, who was assistant Chicago manager of Aero under Mr. Holcomb for some time and succeeded him as Chicago manager shortly before the dissolution of the pool. Frank J. Radek, who was formerly in the Aero service office at Columbus, O., and G. A. Palmquist, former engineer for Aero at Chicago, will be in the Chicago office.

Aero Associates will service all aviation accounts previously written by Stewart, Smith (Illinois) of which Mr. Holcomb has been vice-president. This office has become quite a factor in the aviation business, having written \$850,000 in premiums since the start of 1948, with a 12.6% loss ratio.

In addition to the principal offices in New York and Chicago, Aero Associates will eventually establish outlets in Kansas City and Los Angeles. The facilities of the pool will be offered strictly through the agency system.

Aviation Underwriters Corp., the Markel subsidiary for which Stewart, Smith was handling all aviation business, has been dissolved and hereafter all Markel aviation business will be written through Aero Associates. Mr. Holcomb had been managing the aviation business for Stewart, Smith at Chicago since 1948. Recently Mr. Mitchell had left Rollins, Burdick, Hunter in Chicago to join Mr. Holcomb at Stewart, Smith. Mr. Radek was with Maryland Casualty, Preferred Accident, and American National Indemnity before going with Aero.

The pool will offer, among other innovations, an "automobile" type aviation policy. There will be automatic reinstatement of policies following each loss. Instead of one year term basis, the policies will be written continuously, with review of coverage semi-annually and payment of premiums semi-annually. This is held to be desirable because of the tremendous fluctuations in plane values that have taken place within brief periods of time.

A. J. Snow Portland Speaker

Portland (Ore.) Assn. of Insurance Agents held its last luncheon of the season June 21. A. J. Snow, assistant manager of Oregon Insurance Rating Bureau, discussed business interruption insurance.

President H. B. Larson appointed a nominating committee to present a slate for the annual meeting Aug. 18.

West Alexandria, O., has been given a class 6 rating and a reduction in fire insurance rates.

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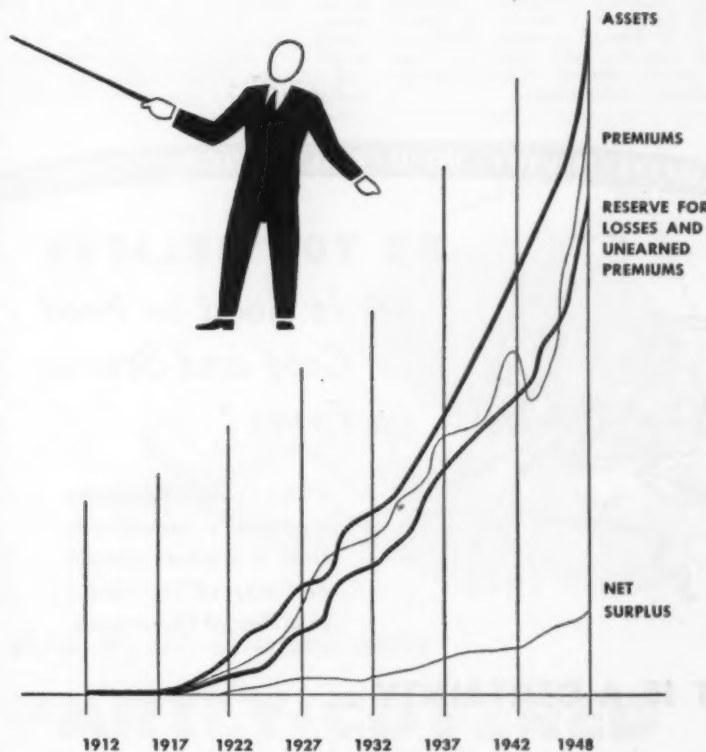
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A Record Unique in Insurance History

	PREMIUMS	ASSETS	RESERVE FOR LOSSES AND UNEARNED PREMIUMS	NET SURPLUS	TOTAL LOSSES AND DIVIDENDS PAID TO POLICYHOLDERS
1912	\$ 29,562.55	\$ 28,939.85	\$ 15,281.27	\$ 8,368.77	\$ 100.00
1913	71,088.24	54,966.15	41,692.18	18,541.88	19,089.88
1914	141,954.90	96,276.18	72,683.36	18,693.04	61,947.96
1915	168,357.98	130,463.69	85,247.62	22,798.94	177,891.89
1916	226,161.64	158,106.10	90,192.09	25,243.40	315,033.22
1917	319,311.65	239,388.20	131,504.69	54,162.71	441,687.61
1918	446,386.51	396,692.50	226,603.85	129,007.57	606,651.29
1919	777,136.57	679,772.17	443,887.88	204,491.17	898,862.97
1920	1,526,628.23	1,165,683.23	794,255.53	306,820.44	1,473,424.42
1921	1,734,951.59	1,586,895.03	1,131,404.88	363,963.63	2,347,127.55
1922	2,259,316.45	2,259,786.59	1,625,055.94	382,378.27	3,460,068.51
1923	2,870,762.21	2,786,121.79	2,009,848.78	458,866.71	4,912,241.23
1924	3,670,962.67	3,784,081.58	2,752,902.64	589,141.39	6,598,458.82
1925	4,570,059.95	4,615,054.63	3,408,235.10	677,248.53	8,863,549.50
1926	5,250,976.25	5,526,431.34	3,996,612.26	811,196.36	11,650,827.87
1927	6,718,131.36	6,928,216.97	4,583,569.80	1,208,673.62	15,075,142.67
1928	9,168,587.22	10,204,937.75	7,298,425.88	1,527,600.14	19,365,372.05
1929	12,162,720.59	11,638,980.54	8,094,327.13	1,827,884.22	25,588,325.19
1930	13,650,070.76	15,001,456.66	11,030,616.41	2,101,032.43	33,433,876.91
1931	14,307,235.84	15,521,354.57	11,318,279.00	2,220,062.08	42,075,500.39
1932	15,090,377.73	16,031,781.14	12,061,577.60	2,336,954.24	51,198,916.09
1933	16,004,197.85	17,222,827.28	13,496,283.79	2,385,666.10	60,489,406.20
1934	18,307,575.46	19,545,750.11	15,047,015.57	2,534,504.10	70,864,176.49
1935	20,343,475.15	22,611,299.39	16,537,175.40	3,082,433.03	82,409,973.68
1936	22,219,614.81	26,630,204.39	18,253,922.16	3,594,765.86	94,283,672.68
1937	26,566,765.96	30,244,892.33	21,674,978.21	4,102,229.25	108,068,962.30
1938	26,911,679.42	34,171,977.53	24,358,982.47	4,668,053.96	122,691,504.13
1939	27,458,306.73	38,073,226.38	26,318,783.30	5,262,440.31	137,467,725.58
1940	28,246,513.43	41,382,727.87	28,916,432.29	5,500,000.00	153,516,454.67
1941	34,490,363.76	45,363,288.44	31,010,885.81	6,000,000.00	172,554,114.52
1942	37,028,128.58	49,917,057.34	32,325,124.72	7,000,000.00	193,295,050.97
1943	31,399,515.28	52,941,954.16	33,797,115.61	8,000,000.00	211,437,071.01
1944	32,719,795.86	57,317,118.54	36,852,775.68	9,000,000.00	229,501,701.02
1945	36,120,981.15	62,072,882.56	39,788,328.91	9,500,000.00	249,706,224.03
1946	44,218,370.66	67,418,486.51	45,681,714.00	10,000,000.00	273,573,483.85
1947	59,939,688.87	78,119,375.52	53,239,505.00	10,500,000.00	302,857,806.41
1948	72,377,268.48	93,581,919.15	62,746,040.21	12,000,000.00	337,123,138.54



Lumbermens MUTUAL CASUALTY COMPANY

Chicago 40 • James S. Kemper, chairman; H. G. Kemper, president. Operating in New York state as (American) Lumbermens Mutual Casualty Company of Illinois.

Committee Lists Regulatory Laws

Considerable legislation, much of it designed to strengthen state regulatory laws, was enacted in the 1949 legislative sessions, according to the report of the special committee of the American Bar Assn.'s insurance law section. The new laws, with a list of state legislation in the same fields already passed, are included in the reports, and are summarized below.

John V. Bloys, assistant general counsel, Life Insurance Assn. of America, is chairman of the committee. Other members include:

Commissioners Alexander of Iowa, Dineen of New York, Knowlton of New Hampshire, and Malone of Pennsylvania; and Prof. E. W. Patterson of Columbia Law School. For fire there are J. Raymond Berry, general counsel National Board; and J. Donald Wheelan, assistant general counsel of Home; casualty, Marcus Abramson, assistant counsel Assn. of Casualty & Surety Cos.; J. B. Beach, secretary Hardware Mutual Casualty, and James B. Donovan, general counsel National Bureau of Casualty Underwriters.

New casualty and surety rate regulatory laws were enacted in Oklahoma, where they were patterned after the District of Columbia measure, and in West Virginia, which followed substantially the all industry model, the report states. This leaves Idaho the only state without a casualty-surety rate regulatory law. All states now have fire and marine rate regulatory laws. Several states this year amended statutes enacted previously.

Unfair trade practices laws, following the all industry model bill, were enacted in Arkansas, Colorado, Maine, Michigan (where it superseded 1947 law), Nevada and North Carolina. This makes 24 states that have such statutes. The others are Florida, Indiana, Louisiana, Maryland, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Washington, and Wisconsin. Such laws were still pending in California, Georgia and Ohio as of June 16.

The unauthorized insurers service of process legislation recommended by the industry and commissioners was substantially enacted by California, Iowa, Kansas, Maine, Maryland, Michigan, Nebraska, New Hampshire, New York and Pennsylvania this year. The legis-

lation was before the Connecticut and Florida governors and was pending in Georgia, Illinois, Missouri, Ohio and Texas, June 16.

The Clayton act type legislation dealing with stock ownership and interlocking directorates of insurers was enacted in 1949 in California, Indiana, New Hampshire and Washington. The legislation also is in effect in Connecticut, Illinois, Massachusetts, New Jersey, New York, and Pennsylvania.

Erdmier Forms Illinois Security Life at Sterling

Illinois Security Life has been formed at Sterling, Ill., to write life, A. & H., hospital, medical and group. The company is a legal reserve mutual basis with a surplus of \$25,000. The incorporators and officers include Grover H. Erdmier, president; G. Lester Robinson, secretary, and Raymond Westphal, treasurer.

Mr. Erdmier recently retired as head of a general insurance agency at Freeport, Ill., which is now manned by two of his sons.

It is hoped to increase the surplus to \$100,000 by the sale of guarantee fund certificates. Mr. Erdmier had been in the insurance business 20 years in Freeport. Mr. Robinson since 1943 has been a general insurance agent, specializing in life and A. & H. at Sterling; Mr. Westphal is a veteran of the last war and has been in the advertising business at Sterling.

Association Companies to Write TDB in New York

A substantial majority of the member companies of Assn. of Casualty & Surety Companies will write non-occupational disability insurance under the New York TDB law, according to J. Dewey Dorsett, general manager of the association.

Mr. Dorsett said that at a meeting of the executive committee the casualty advisory committee recommended that member companies consider entering the non-occupational disability field and afford an adequate market for the coverage. A show of hands disclosed that most companies represented were preparing to write TDB in New York. Mr. Dorsett has written to each member company for their views on the subject and states that already enough replies have been received to show clearly that most are preparing to enter the field.

Chart on Rate Regulation Laws Brought Up to Date

Assn. of Casualty & Surety Companies has prepared a revised chart analyzing the casualty and surety rate regulatory laws which embraces the two new statutes that were enacted in Oklahoma and West Virginia, the complete revision of the Maryland law and amendments that were enacted in Arkansas, California, Kansas, Michigan, Nebraska, New Jersey, New York, North Carolina, South Dakota, Tennessee and Vermont. Single copies are 35 cents.

Mapes Named to Board

Warren Mapes, chief underwriter for Republic Indemnity, has been elected to the board of that company to fill the vacancy created by resignation of E. D. Concini, who has become attorney general for Arizona. Mr. Mapes has been in his present job for a year and a half and, prior to that, was manager of the compensation department of Farmers Insurance Exchange of Los Angeles. He has been in the business since 1928.

Ohio Bureaus Move

Ohio motor vehicle assigned risk plan July 1 is closing its office at Hamilton and is moving to 10 East Town street, Columbus. Underwriters Service Assn. Inc., and Ohio Bureau of Casualty Insurers, will move to the same place at Columbus.

Brooklyn Brokers Urge Uniform TDB Rules, Rates, Forms

NEW YORK — Brooklyn Insurance Brokers Assn. has gone on record opposing some of the views of life and accident and health companies on the New York state temporary disability benefits law. The brokers recommend more standardization in policies and premiums. Life and A. & H. companies contended at the recent hearing that standardization would work a hardship on the carriers and increase their overhead, a statement by the brokers' association says.

The association feels that with uniform policies, endorsements, and rating rules similar to the fire and casualty policies, there will be a resulting reduction in overhead that can be reflected in lower premiums. They charge that the life companies' request for non-standardization is based on a desire to get a competitive advantage over casualty companies. They admit that the life companies have been handling group policies on a much lower overhead than the casualty carriers but state that this is due to the burden of work in handling statistical records for hundreds of workmen's compensation classifications and that there is a separate hearing for each claimant. They state, however, that these factors do not prevail in the non-occupational disability field.

Urge Standardization, Uniformity

If complete standardization of policies and endorsements cannot be achieved at least certain essential clauses should be uniform, the brokers state. Among these are the insuring agreement, the other insurance clause. They suggest that rates be based upon the experience of all employers in the state. The brokers point out that although the law states that no employer may make a profit out of providing disability-benefits for his employees, that it will undoubtedly be interpreted to mean that even if the employer is reimbursed to the extent of 100% of the contribution, he will not be making a profit. This should be clarified. They also ask that if coverage is desired in excess of the minimum statutory requirement that it be standardized in the way it is done for excess limits for liability insurance or with personal accident and health coverage. They further ask for more specific regulations on twisting of group. The final suggestion contained in a bulletin issued by George J. Mutari, secretary of the association, says that the legislature should be urged to make it possible for the employer to appoint a broker to represent his interest in a case where a union has insisted upon selecting a broker to represent the interests of the employees. Under those circumstances both brokers could share the commission.

Porter New Utah President

At the annual meeting of Utah A. & H. Club, Leo R. Porter, general agent of Columbian National Life, was elected president, succeeding John P. Allen, Equitable Life & Casualty. Vice-president is Raymond R. Ross, Equitable L. & C.; secretary-treasurer, Parley Woolsey, Mutual Benefit H. & A. (re-elected); executive board, Mr. Allen, H. J. Cannon, Northern Life; T. J. Alexander, Mutual Benefit H. & A.; Olive Milner, National Casualty; D. F. Crandall, Metropolitan Life, and Walter M. Jones, Business Men's Assurance. Mr. Jones was also chosen delegate to the national convention at Cleveland, O.

Ulvila at Santa Monica

Arne J. Ulvila, special agent of London Assurance, led a discussion on fire insurance forms before Santa Monica (Cal.) Assn. of Insurance Agents. The meeting was a part of the association's insurance course, open to all agents and their employees.

HAWKEYE · SECURITY · INDUSTRIAL · THREE OF THE FINEST



DO YOU BELIEVE
*It Is Good to Feed
a Cold and Starve
a Fever?*

*There is no basis from
a doctor's standpoint
that a patient should
be "starved" or "fed"
in either of these cases.*

IT IS A CERTAINTY . . .

. . . however, that the agent who joins Hawkeye-Security-Industrial's team of agents is assured of getting the best in all 'round home office service every day of the year.

In addition to providing full Fire, Casualty and Industrial coverage Hawkeye-Security-Industrial gives its agents the kind of service that builds sales . . . no red tape . . . prompt settlement of claims . . . and a Field Representative staff that really works closely with agents.

These are some of the reasons why "the trend is to Hawkeye-Security-Industrial".

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.
INDUSTRIAL INS. CO.

Des Moines, Iowa

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The case of a commissioner by the U. S. casualty commission use of scheduled excess profits. The commission and a Guarantee for over-assessment year of \$6,431 deficiency in \$40,196 or claimed over tax and over to a deficiency theory of the

Issues Are The issue losses incurred be allowed be included in losses payment, as compared or determined by the commission treatment should be for computing profits tax on settlement by come tax liability was on a d computing reductions all expenses 193 on an incur Guarantee, or by the com an inconsistent U. S. Guar poses in the adjustment under section code. There For 1942, losses on the 748,956; on In 1936 thro reported loss In 1936 the deduction los that basis. F allowed on t ment agreed commissioner paid losses t the prior year commissioner basis.

Effect of Co A consiste the statutory derstatement through 193 \$526,135, and an overpaym U. S. Guar ment expense the years 19 through 1939 incurred basi latter years, net income w for 1936, \$1 1938 and und The court shire Fire c Guarantee as curred and q torney of th in his "Fede Companies a court held th in the base been determi It said the apply general insurance fie tioned, for "C act a special position of t panies other

Four Issues Dealt With in Casualty Carrier Tax Case

The case of U. S. Guarantee vs. Commissioner of Internal Revenue, decided by the U. S. tax court, is significant to casualty companies because it confirms use of schedule P reserves, passes on the use of incurred expenses, and deals with potential application of section 734 for excess profit and tax adjustment purposes.

The commissioner determined a deficiency and excess profits tax for U. S. Guarantee for 1942 of \$18,710 and an over-assessment of income tax for that year of \$6,437. He sought to increase the deficiency in the alternative amounts of \$40,196 or \$62,111. U. S. Guarantee claimed over-payment of excess profits tax and recognized it would be subject to a deficiency in income tax under its theory of the case.

Issues Are Set Out

The issues were: If deduction for losses incurred in 1941 and 1942 should be allowed in the amounts required to be included in the unpaid and outstanding losses appearing on the annual statement, as contended by U. S. Guarantee, or determined on a case basis, as argued by the commissioner; whether the same treatment should be accorded losses incurred for the base period years 1936-39 for computing U. S. Guarantee's excess profits tax credit, notwithstanding that settlement by informal agreement of income tax liability for some of the years was on a different basis; whether, in computing excess profits tax credit, deductions allowable for loss adjustment expenses 1936-39 should be determined on an incurred basis, as argued by U. S. Guarantee, or on a paid basis as argued by the commissioner, notwithstanding an inconsistent method of treatment by U. S. Guarantee for income tax purposes in those years, and whether an adjustment is permitted and required under section 734 of the internal revenue code. There was no dispute as to facts.

For 1942, U. S. Guarantee's incurred losses on the statutory basis was \$1,748,956; on the case basis, \$1,244,116. In 1936 through 1939 U. S. Guarantee reported losses on the statutory basis. In 1936 the commissioner allowed as a deduction losses incurred determined on that basis. For 1947 the deduction was allowed on the case basis with a settlement agreed to by the company and commissioner on proper treatment of unpaid losses to be carried forward from the prior year. For the years 1938-39 the commissioner allowed losses on the case basis.

Effect of Consistent Treatment

A consistent treatment of losses on the statutory basis would reflect an understatement of the deduction for 1936 through 1938 in amounts of \$6,305, \$326,135, and \$80,880, respectively, and an overpayment for 1939 of \$297,329.

U. S. Guarantee reported loss adjustment expenses on the incurred basis in the years 1940 through 1942 but 1936 through 1939 on the paid basis. If the incurred basis had been used during the latter years, U. S. Guarantee's taxable net income would be overstated by \$559 for 1936, \$18,035 for 1937, \$9,511 for 1938 and understated for 1939 by \$11,959.

The court followed the New Hampshire Fire case in holding for U. S. Guarantee as respects use of losses incurred and quoted Charles Tye, tax attorney of the Royal-Liverpool group, in his "Federal Taxation of Insurance Companies and their Problems." The court held that loss adjustment expenses in the base period years should have been determined on an incurred basis. It said the commissioner's attempt to apply general accounting concepts in the insurance field cannot now be sanctioned, for "Congress has seen fit to enact a special statute governing the imposition of tax upon 'insurance companies other than life or mutual . . .'"

This was the holding in the New Hampshire Fire case. The commissioner, the court pointed out, attempted indirectly to employ the doctrine of estoppel, but the tax court declined to allow this sortie.

The fourth issue, applicability of section 734 of the code, dealt with adjustment during the base period for excess profits tax purposes. This is the relief section and the issue arose because there was a question of inconsistent position by the company, compared with a previous position, as between paid and incurred. The court stated that the company was entitled to a corrected method, even though that method might have been inconsistent.

Danford Resigns, Strasser to Safety Post for Assn.

Harold R. Danford, educational director of the accident prevention department of Assn. of Casualty & Surety Companies, has resigned, and Marland K. Strasser has been named to take his place. Mr. Danford will become supervisor of health, physical education, recreation and safety for Pinellas county, Florida, with headquarters at Clearwater. Mr. Strasser has been assistant educational director of the department.



H. R. Danford

U.S.F.&G. Dinner to Feature Cincinnati Office Opening

CINCINNATI—Manager U. L. Trice will be host to about 90 agents of U.S. F.&G. at a dinner at the Gibson Hotel here Friday, in connection with the formal opening of the new ground floor office at 24 East Sixth Street. There will be open house at the new office in the afternoon.

The home office delegation, consisting of Chairman R. H. Bland, Executive Secretary C. J. Fitzpatrick, Garland Moore, associate agency director, and Earl Shaw, secretary F.&G., will be on hand for the dinner and open house.

Rates in Six States

National Bureau of Casualty Underwriters has revised automobile liability rates for Arizona, Idaho, Montana, Nevada, Utah and West Virginia.

Coverage affected and the average percentage changes in statewide rate levels are as follows:

State	Private Pass.		Commercial	
	B.I.	P.D.	B.I.	P.D.
Arizona . . .	+12.5	-2.7	+14.4	+1.3
Idaho . . .	-7.0	-5.8	*	-7.1
Montana . . .	-15.0	+17.2	-0.9	+13.1
Nevada . . .	-5.4	*	*	+27.3
Utah . . .	+13.8	*	+5.8	+14.9
W. Va. . . .	-3.4	+11.9	+4.8	+27.5

*No change.

Buyers Hear Carlson

Insurance Buyers Assn. of Minnesota set aside its rule of no summer meetings and met June 21 at Minneapolis to hear Thomas O. Carlson of National Bureau of Casualty Underwriters speak on "Interstate Rating."

Two minor changes in by-laws were made at the quarterly meeting of Insurance Agents Assn. of St. Paul. A talk was given on what the St. Paul public schools are doing to promote traffic safety through the instruction of student drivers.



Are your clients only

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against power-equipment failure?

The worm's predicament may seem funny. Yet how many of your clients are only partly-covered—with boiler insurance alone? Or with boiler and machinery insurance but with no Use and Occupancy coverage? Accidents to boiler and machinery units cost owners of factories, laundries, hotels and dairies substantial sums every year.

Your clients will appreciate your foresight in checking with them on their needs from time to time. They may have bought new equipment or

restored old units to work. Make sure that they have adequate insurance protection—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the required knowledge and experience to aid you in selling and servicing this added protection. He will be glad to work with you in getting a sales plan under way. You'll find his help profitable—to you and to your clients.



The Hartford Steam Boiler Inspection and Insurance Company

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

Florida F. R. Law of "Security" Type

The new Florida automobile financial responsibility law is of the security type. The previous one provided for proof of responsibility for the future, in case of accident. The new one obviates the criticism that one bite was permitted before proof of responsibility was required.

The new law provides that the director of the department of public safety, sheriff, police department, or peace officer shall report to the commissioner (state treasurer and ex officio insurance commissioner) any accident coming to his attention, within 10 days following the accident. The report is to specify extent of damage, individuals at fault, if this is determinable, etc.

The commissioner is authorized to require reports from individual owners or operators when he deems them necessary. Thirty days after receipt of notice of an accident resulting in bodily injury or death or property damage of \$50 or more, the commissioner shall suspend the operators' licenses unless the operator can show that no injury was caused to person or property of anyone other than operator, or he clearly did not cause or contribute to the accident, or he was the authorized operator of a motor vehicle owned by the United States, state or political subdivision, or had insurance, or had been finally adjudicated not liable, or had secured a release and given proof of financial responsibility, or had furnished security. The security deposit has to be sufficient to compensate for all injuries arising out of the accident but not exceed the required limits of proof of financial responsibility which is 5/10/1.

The commissioner, after consulting with insurers, shall outline an assigned risk plan.

Pennsylvania reenacted its financial responsibility law, which becomes effective

February, 1950. Presumably the money for its administration will come out of general funds.

A two-day course of instruction for 17 referees and field men who will direct operations of Florida's new financial responsibility law was conducted in the office of Commissioner Larson.

Set Ia. Hearings on W. C. Hike, Chattel Mortgage Line

DES MONIES—Commissioner Alexander has set a hearing July 12 on a proposed increase in workmen's compensation rates of 4.2% proposed by National Council on Compensation Insurance. The council asked for the rate increase to become effective July 4.

The department has also set a hearing for June 28 on authorization of a new line of insurance insuring dealers in retail finance transactions in which the loan is secured by a chattel mortgage against failure to file paper and records of the transaction with the proper authorities. The coverage would be known as chattel mortgage insurance, and normally would be authorized as a casualty line as credit insurance but the department has proposed to permit both fire and casualty companies to write the coverage under the new multiple line bill.

A request for the new line was made by Phoenix of Hartford.

Green County Agents Meet

MONROE, WIS.—Green County Assn. of Insurance Agents held its monthly dinner-meeting. Clarence Loverud, special agent Iowa Mutual Liability, spoke.

Auto Rate Committee Outing

The automobile rating committee of the National Bureau of Casualty Underwriters held its annual two day outing and meeting at Carmel, N. Y.

Aetna Life Broadens A. & H. Policies

Aetna Life has made a number of accident and health policy changes to broaden the coverage offered effective July 1. As a number of other companies have done the changes were made simultaneously with Official Guide changes required by National Assn. of Insurance Commissioners.

Principal changes on A. & H. policies are the revision of the insuring clause from accidental means to accidental bodily injuries. The aviation exclusion has been modified to do away with the necessity of a rider. The new language excludes only flight training accidents, military or experimental flights, and flight crew members. The indemnity provisions were also liberalized.

A new accident policy has also been prepared with liberalized provisions but does not provide for a death benefit. Sickness, hospital, and surgical benefits have been increased.

The cancellation clause has been eliminated from the policies as was the identification clause. Underwriting rules were broadened on a number of policies and a number of policies were discontinued. A new A. & H. manual has been prepared and distributed to agents.

Mich. W.C. Liberalization, Trade Practice Act OK'd

LANSING, MICH.—Gov. Williams has signed a bill liberalizing the workmen's compensation act, which he praised as "one of the few genuine accomplishments of the legislative session." It boosts primary maximum benefits from \$21 to \$25 weekly, adds \$2 weekly for each dependent to a maximum of \$34 for five or more, increased death benefits by \$5 to \$6 and brings employers of four or more persons under the compulsory insurance provision of the act, rather than eight as in the existing law.

He also signed the Michigan version of the all-industry fair practice act. That measure was the subject of controversy between the big non-resident carriers and the Michigan independents but the legislature listened only to the latter. It diverges from the uniform version chiefly in providing that the commissioner may call trade conferences to determine what are unfair practices, after complaints, and to base rulings on the consensus at the conference.

Demand Monopoly in Mass.

If CIO doesn't get a monopolistic state fund sickness law, it will accept none at all. J. W. Belanger, its state president, declared at the hearing on the measure in the Massachusetts house. The hearing was held in a room built to seat about 60, and there were about 1,000 insurance people and employers on hand to oppose it and a number of labor and other proponents. The state Democratic administration is sponsoring the bill, which was written by federal security administration.

Three-Year Liability Policy

NEW YORK—There is some talk now of a three-year automobile liability policy for use under the premium discount plan which is in effect in New York. The idea would be to provide for an annual premium adjustment to take care of rate revisions. The rate for three years would be three straight annuals.

Welfare Plan for Plasterers

A health and life insurance benefit program has been arranged for 1,800 workers of the plastering industry in New York City. Hospitalization benefits for union members and their family dependents are written through Associated Hospital Service. Union Labor Life is writing life insurance up to \$1,000 and \$150 in surgery benefits.

Service Life of Omaha Enters Agency Field; Names D. J. Wellenkamp as V-P

OMAHA—Service Life of Omaha, which for many years has specialized in mail sales, is entering the agency field and has placed Donald J. Wellenkamp in charge of agency operations as vice-president, effective Aug. 1. Mr. Wellenkamp was formerly assistant secretary of Washington National.

Service Life until recently has been licensed only in Nebraska but June 9 was licensed in Illinois and is entering Ohio July 1.

Before joining Washington National 15 years ago, Mr. Wellenkamp was an agent of Massachusetts Mutual and then was with the former Illinois Life, where he did agency organizing and public relations work. He was for two years press chairman of the H. & A. Underwriters Conference.

Former N. Y. Leader Dies



T. A. Sharp

Thomas A. Sharp, one-time leader in insurance and civic fields at Rochester, died June 17 at his home. He formerly headed a leading Rochester local agency and was president of New York State Assn. of Insurance Agents in 1940-41. He had been president of Rochester Board and Commodore of Rochester Yacht Club.

NLRB Orders Issued

WASHINGTON — National labor relations board has ordered Tri-State Casualty of Tulsa to stop discouraging membership in Building Service Employees Union, local 245, AFL, also interrogating employees concerning their union affiliations, or in any manner interfering with, restraining, or coercing employees in their self-organization rights. The company is also ordered to offer one employee immediate reinstatement with back pay, and post for 60 days notices of compliance with board orders.

The board dismisses complaint filed against the company, based on AFL charges, in all other respects. Complaint had been issued last September and hearing held at Tulsa in October.

NLRB has directed an election within 30 days among office and clerical employees and investigator-adjusters and court investigators of Transit Casualty St. Louis, who will vote for or against local 13, Office Employees International Union, AFL, to represent them in collective bargaining.

Austin A. & H. Men Elect

Austin (Tex.) Assn. of A. & H. Underwriters has elected L. A. Ginnard Business Men's Assurance, president; Seaborn M. Nesbit, Employers Casualty, vice-president; Everett Davis, Western Reserve Life, secretary; Jack Frost, American Hospital & Life, executive committee chairman.

Insurance Course at Washburn

Washburn Municipal University of Topeka will offer a course in property insurance starting with the fall term. Dr. Joseph H. Foth is head of the economic department that will conduct the course. The instructor will be Webb Woodward of the Woodward agency at Topeka. Mr. Woodward is chairman of the legislative committee of the Kansas Assn. of Insurance Agents. The association is encouraging more students to enroll in insurance courses in Kansas colleges.

Maryland Casualty has named R. L. Reed assistant manager at Houston. He has been in charge at San Antonio since 1940. H. J. Becker, former special agent, succeeds him at San Antonio which is under Houston supervision.

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S. E. U. A. Tackles Problem of Term Annual Premium

The executive committee of S. E. U. A. at New York this week is threshing out the problem of what to do about the annual premium term plan. There seems to be a strong disposition to meet the competition that has developed, but if that is done the big question is whether the departure shall be taken as an organization matter or whether the individual companies shall be released to pursue whatever course they deem wise.

Some observers feel that the solution to the problem should go deeper than merely following in the footsteps of those that are permitting commutation of the term premium. They believe that a fundamental overhauling of the term rule is in order. They say, for instance, that the discount that is allowed is unrealistic and that this has opened the door for the competition. They contend that the annual premium for lines eligible to the term rule in practice is an abstraction because so little business is insured on an annual basis and is simply something from which the three year and five year premiums are derived. What counts is the actual premium that is received. For instance an annual premium in the book of \$100 may be meaningless from a revenue standpoint. The important thing to the insurance company is the \$250 premium that is derived from the three year contract or the \$400 for the five year plan. That, these critics, say is what the insurer actually settles for and what it is satisfied with. Hence, they feel the proper course is to reduce the one year premium base by perhaps 10% and to increase the term multiplier, so that for a three year contract, for instance, the premium would be equivalent to what is gotten under the existing setup.

This they feel is more logical and consistent than merely meeting the competition that has developed because of the time hallowed size of the term discount. The popular way, then, to handle the requirements of those who desired to pay annually and still get advantage of a discount would be through an orthodox premium financing route. One contra argument to such a basic overhauling is that by reducing so extensively the term discount, much of the incentive to insure for a term would be lost and there would be a strong drift to annual premium policies with all the added expense that this would entail. But, on the other hand, to maintain the old formula and to go whole hog for the annual premium term plan would perhaps even more surely inject the problem of annual handling.

The annual premium term plan was a product of the last depression. It was in that period that assured that were A. Ginnard pressed for funds started buying insurance on an annual basis. This meant turning an abstract figure into a tangible price tag and resulted in the insurer getting say \$300 premium over a three year period instead of \$250 as in the past. This created a great opportunity for independent competition and was extensively exploited during the depression. The issue died out as times improved and assured reverted to the old practice of buying term policies the old way. The one year rate again became an abstraction.

The issue is projected now even more prominently than in the former era, because the voluntary controls that previously confined the practice to a handful of non-organization companies, today are lacking.

Diversity Case Decision

The U. S. Supreme Court, in National Union Mutual Ins. Co. vs. Tidewater Transfer Co. of Virginia has upheld the constitutionality of the 1940 statute conferring on federal courts jurisdiction if the action is between citizens of different

states, or citizens of the District of Columbia, Hawaii, Alaska, and any state or territory. Previously the federal courts in the states were closed to citizens of the District of Columbia in diversity cases.

Bolling New President Of Missouri Field Men

ST. LOUIS—Robert L. Bolling, Sun, was elected president of Missouri Fire Underwriters Assn. at the annual meeting at Lake of the Ozarks.

W. B. Hershe, St. Paul F. & M., is vice-president, and Leo Gribble, Royal, secretary.

Missouri State Fire Prevention Assn. installed the new officers previously elected. President is Herbert E. Johnson, Jr., Aetna Fire.

The association will have a fire prevention booth at Missouri State Fair at Sedalia Aug. 21-28. Mr. Johnson will be in charge with a force of 40 field men. Ten will be on hand each day.

N. Y. Board Directors

Henry E. Frost, Hoey, Elljison & Frost agency; Chris D. Sheffe, U. S. manager of London Assurance, and T. at Tuscola, Ill., but was called back by

Morgan Williams, Home, have been appointed directors of New York Board.

Cleveland Field Men Elect

Cleveland Field Club has elected as president, Stuart R. Terwilliger; vice-president, S. T. Klemm; secretary, Wade K. Wissler; treasurer, Perry O. Holm.

Western Reserve puddle of Blue Goose named as big toad, A. J. Danziger; pollawog, R. R. Barrington; croaker, O. Frank Gibbs; bouncer, Fred Thrall.

Inspect Larchmont, N. Y.

More than 50 field men of the suburban division of New York State Fire Prevention Assn. conducted the division's first town inspection, at Larchmont.

Inspection teams were aided by uniformed members of the fire department. George Nelson, Commercial Union, was in charge. Long Island, N. Y., will be inspected in the early fall.

H. H. Moore, assistant manager at Raleigh of General Adjustment Bureau, during the course of a vacation trip attended the wedding of his son William manager of London Assurance, and T. at Tuscola, Ill., but was called back by

the death of his 91 year old father, George K. Moore, at Scotland Neck, N. C.

Ind. 'Comp' Rate Cut 7 1/2%

INDIANAPOLIS — Commissioner Viehmann announced Monday a decrease in workmen's compensation rates in Indiana averaging 7 1/2%, effective July 1.

The decrease was possible, he said, in spite of liberalization of benefits by the 1949 assembly.

Sullivan Speaks June 28

ST. LOUIS—Walter R. Sullivan, St. Louis manager of Hartford Steam Boiler, will speak on boiler and machinery insurance at a dinner meeting of St. Louis Insured Members' Conference June 28.

Group Plan for Bar

Indianapolis Bar Assn. has entered into a group A. & H. plan providing weekly indemnity and optional hospital and surgical protection, with Continental Assurance, the broker being John A. Bruhn.

Oregon Farm Bureau has moved its home office to Milton, Ore.

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CHANGES IN CASUALTY FIELD

Smart Now Am. Fidelity President

James D. Smart, president of New Hampshire Fire, has also now been elected president of American Fidelity, the casualty affiliate. He was vice-president of that company. Stanley C. Wilson, who was president of American Fidelity, has now been elected board chairman. Clark B. Bristol, formerly vice-president, is now executive vice-president and Lester S. Harvey was elected vice-president.

Ferguson New Amsterdam Minneapolis Manager

New Amsterdam Casualty has appointed John D. Ferguson as manager at Minneapolis. He is a native of Colorado and has been active in casualty and surety underwriting and production since 1935 except for service in the army.

Following the war he moved to Minneapolis and joined New Amsterdam Casualty. Until recently he has been servicing agents in Minnesota, North and South Dakota and the western part of Wisconsin.

WANT ADS

WANTED

Well-established progressive insurance organization desires top-flight PROCEDURE ANALYST to analyze existing procedures and to create new ones for a casualty insurance company. Job requires man under 45 with a college education and at least five years of experience in the field. Must have a complete knowledge of a casualty company operation. Give all desired information: personal, educational, and work histories. All replies confidential. Address U-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

A SPOT IN INDIANA

is waiting for a FIELDMAN with casualty experience in the Indianapolis Office of a prominent Eastern non-conference Casualty and Surety Company. This is a real opportunity for an aggressive producer and the salary will be commensurate with the man's past record. Give full history. It will be kept strictly confidential. Box No. U-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY FOR AN ACTUARY

One of the largest progressive midwestern insurance firms offers an opportunity for an ACTUARY in its GROUP INSURANCE department. Experience in group insurance desirable. Give complete personal, educational, and work histories. All replies confidential. Address U-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY ACCOUNTANT

Outstanding opportunity awaits young man experienced in casualty accounting, including statistical operations, to work as assistant to department manager. Good future for right man. Indiana mutual company. Address U-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Special Agent—Experienced—for large nationwide agency mutual casualty company. Pennsylvania territory. Replies held confidential. Address U-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Louis H. Clegg Chicago Claim Head of Century

Louis H. Clegg has been appointed manager of the Chicago claim division of Century Indemnity and Standard Surety & Casualty. He takes the place of Neil Reynolds, who is going to the head office in the legal division about July 15.

Mr. Clegg has been with Century Indemnity in the claim department at Chicago since 1935 and, for the past three years, has been assistant manager. He graduated at Bradley University at Peoria, and attended Chicago Kent College of Law at the same time that he was working for Century Indemnity.

Mr. Clegg, during the war served in the criminal investigation division of the army in the European theater.

Alfred F. Duda, who has been an adjuster for Century Indemnity at Chicago since 1941, except for his army service, has been promoted to supervisor.

J. C. Geyer Makes Change

John C. Geyer has joined National Union Indemnity as special agent for Indiana. He graduated in 1939 in business administration at Indiana University and then became a payroll auditor for an independent firm of auditors. He later was with New Amsterdam Casualty and recently has been with American Surety.

Stansbury Joins Boston

William E. Stansbury, formerly agency secretary in charge of the southern department of Royal-Liverpool of New York, has been elected a vice-president of Boston. He will have supervision of the casualty operations of this organization when it enters that field. He graduated at National University and started in 1923 with Maryland Casualty. From 1928 until 1938 he was with Hartford Accident at Washington and then opened a branch there for Globe Indemnity. Subsequently he became regional manager for a number of the Royal-Liverpool companies and in 1948 was named agency secretary.

Scott Dixon to Dallas

Scott Dixon, assistant manager of Travelers Indemnity at Wichita, is being promoted to assistant manager at Dallas. He started with Travelers at St. Louis and just recently completed 25 years with the organization.

Gordon to Ritter Agency

David P. Gordon, for 20 years with the home office of Western Casualty & Surety at Kansas City, for several years as assistant secretary and manager of the fidelity and surety department, will join the Ritter General Agency of Denver Aug. 1 as manager of the surety department. That agency represents Western Casualty and a group of other companies as general agent for Colorado, Wyoming and New Mexico.

Pap to Michigan Mutual

Joseph Pap has joined Michigan Mutual Liability in the Chicago branch office under J. P. Wareham, resident manager, and will be in charge of the production and underwriting of workmen's compensation and miscellaneous general liability business in that office. He has had more than 16 years of experience with stock and mutual companies, and has given much assistance to agents and brokers in handling special risks and problems.

Opens Panama Claim Office

Maryland Casualty has opened a claim division at Panama with Van Tuyl Bouchier as manager.

Mr. Bouchier, who started with Maryland in 1924, has served as manager of a number of the company's claim offices in the U. S. as well as in Puerto Rico and the Canal Zone.

Cedric Drew, manager of the Lloyds and casualty department of the Ray Rosendahl Co., Los Angeles, has taken a six months leave of absence. Wendell R. McCool, formerly district sales manager of Liberty Mutual at Los Angeles, has taken his place with the Rosendahl office.

Roland G. Butler, formerly of Bell Aircraft Corp., has been appointed claim manager at Buffalo for Standard Accident. George P. Good, former manager, has been shifted to Philadelphia.

R. F. Woodhull, in charge of the statistical department of American Associated at New York has retired.

ACCIDENT

File A. & H. Policy Changes Before July 1 Deadline

A number of A. & H. companies are filing policy form changes with the insurance departments in line with the latest revision of the Official Guide, which National Assn. of Insurance Commissioners had recommended to become effective July 1. Only six states have adopted the July 1 deadline but where revisions are being made they are being filed with other departments as well.

Principal changes are in regulations on the specific wording of different policy clauses. Standard provision 16 which enables the company to cancel a policy during the term for which it is issued or renewed, has been eliminated from new policies by many companies. The elimination means that the company cannot discontinue the insurance under the new policy forms during the period for which the policies on renewals have been issued, except for non-payment of premium. Companies are advising agents that they must not under any circumstances represent or refer to policies as being non-cancellable unless they are in that category. The N.A.I.C. has ordered that no policy may be called non-cancellable unless it is both noncancellable and guaranteed renewable. Some policies are renewable at the option of the company.

The identification clause, a coverage under which companies undertook to notify relatives of injured persons, has been eliminated from any accident policies. The provision was seldom used.

Fishbein's Cleveland Talk to Tell A.M.A. Position

The talk of Dr. Morris Fishbein, editor of the "Journal" of American Medical Assn., at the annual meeting of National Assn. of Accident & Health Underwriters at Cleveland, will be a major policy pronouncement of A.M.A.

Dr. Fishbein was involved in hot arguments at the recent A.M.A. convention at Atlantic City for his previous statements. The trustees voted unanimously to allow him to make this speech, which will be the first public statement of principles adopted by A.M.A. at its convention.

Dodge Seattle President

James B. Dodge, Jr., Occidental Life, has been elected president of Seattle Assn. of A. & H. Underwriters to succeed Walter R. Hoefflin, Pacific Mutual Life. Vice-president is Clayton L. Walton, Monarch Life, and secretary-treasurer, Herman A. Malmberg, Reliance Life.

World's Managers Meet

World has moved into new headquarters in its own downtown building at

Omaha, and held there a three-day meeting of state managers from coast to coast. Featured speaker was O. J. Breidenbaugh, former executive secretary of National Assn. of A. & H. Underwriters and now an independent consultant.

Hike Philadelphia Rates

Associated Hospital Service of Philadelphia (Blue Cross) will increase its rates 10% Aug. 1. The increase has been approved by the Pennsylvania department. The new rates for group membership will be: single contract, \$1.05; husband-wife, without maternity benefits, \$2.10; widow or widower, including all married children under 18, \$2.10; family contract or husband-wife contract providing maternity benefits, \$2.85. For subscribers billed directly, the corresponding annual rates will be \$13.80, \$28.20 and \$39.60.

Private room allowance for subscribers is increased from \$6 to \$7.50 per day. An increase also is made in payments to non-member hospitals and hospitals for contagious diseases.

The increase is the result of an agreement for increased payments to hospitals, which takes effect July 1.

Hear Lambert at Lansing

LANSING, MICH.—John B. Lambert, Mutual Benefit H. & A., Cleveland, addressed Central Michigan A. & H. Assn. at its monthly meeting. He urged attendance at the Cleveland convention, of which he is general chairman, and analyzed the elements of successful salesmanship.

J. F. Saldana New Puerto Rican Superintendent

Jorge Font Saldana has been appointed insurance superintendent of Puerto Rico to take the place left vacant by the death of L. J. Noa. Mr. Saldana was born at Havana, Cuba in 1907 of Puerto Rican parents. From 1923 to 1927 he was with American Colonial Bank; for the next five years he was auditor of the office of superintendent of insurance of Puerto Rico. In 1936 he was connected with the Puerto Rico reconstruction administration and then for five years was on the editorial staff of the daily newspaper "El Mundo" and "El Imparcial" and of the weekly magazine "Puerto Rico Ilustrado." From 1941 to '46 he was administrative assistant to the treasurer of Puerto Rico and from then until his appointment as insurance superintendent was executive assistant to the governor of Puerto Rico.

Mr. Saldana is a director of Puerto Rico Industrial Development Co., Communications Authority and Coffee Insurance Corp. At one time he was president of Puerto Rico Cement Corp. and a director of Prison Industries of Puerto Rico. He is a former president of San Juan Lions Club. It is largely due to his influence that the first Congress of Civic Associations was held at San Juan in 1946.

Manufacturers Names Little

A. L. Little has been named special agent in eastern Michigan for Manufacturers Casualty with headquarters at Grand Rapids. Mr. Little has been casualty manager for Auto Owners of Lansing. The Manufacturers companies are enlarging their quarters in the Grand Rapids National Bank building.

Honor Schmidt's 25 Years

Theodore R. Schmidt this month is marking his 25th anniversary as secretary of the Kewaskum Mutual Fire of Wisconsin. About 150 of the company agents and officials attended a golf outing followed by a cocktail party and dinner at Big Cedar Lake. Among the guests were Judge Edward J. Gehl of the Wisconsin supreme court; Harold Wilkie, general counsel of Wisconsin Mutual Insurance Alliance, and Commissioner J. R. Lange of Wisconsin.

Educational N. Y. P. (CONTINUED)

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American M latz special has been with Rock.

Educators Hold N. Y. Parley

(CONTINUED FROM PAGE 9)

for Royal-Liverpool, outlined some of the subjects considered in his company's 120-day school for training field men. At the outset, effort is made to encourage acquaintance among those taking the course, and about a week is given to public speaking. The final two weeks of the course may be given over to working out an insurance problem of a particular business.

Good selection of candidates for home office underwriting jobs and field positions is put at the top of the list by the North America in its program. Mr. Abbott said that hidden cost in time, turnover and bad management have been, and can continue to be, terrific in insurance because of the lack of careful selection at the start.

The program of preparation and selection must be so thorough, so severe and so well organized that only men of unusual stamina, courage and ability can go through with it, Mr. Abbott said. When a company brings in promising young men, promotion by seniority should take second place and energetic and capable young men encouraged. He warned against overselling candidates on the opportunities. The disillusioned employee can do untold damage to morale of those remaining.

Initiative, Drive, Courage

When college graduates are putting so much stress on security with the big companies, the danger is that those who are thinking more about pensions and retaining a comfortable position will get the jobs rather than those who possess initiative, drive and courage.

To get branch office managers to welcome new men after training, they must participate actively in their recruiting, he said. Otherwise, there may be an unsympathetic reception and weaker interest in continued practical training on the job.

The important source of recruiting is college graduates, and a high-grade recruiter, of caliber to command an administrative salary, should be used. Among the tests of college men are personality, schooling, developmental promise, specific training, ability to get along with others, recommendations by qualified persons, indicated executive capabilities, college ranking and salary requested.

Explain Promotion Points

It is well at the start for those recruiting college help to explain some of the points considered in filling higher-paying jobs. The company may be unduly stressing personality. Where it is the chief factor, it can often be easily replaced. When a man is professionally trained, as in engineering or medicine, the company can afford to pay for an immediate contribution of skill which cannot possibly be duplicated by a man entering insurance. A job may be so simple a man can go into it at once without training, but he may be laid off in hard times. An occupation may be hazardous or the business unstable. Working conditions may be unpleasant. Often those getting high salaries must pay out business expenses which cuts down take home pay. Occasionally a company needs manpower so badly it will pay any price, but the same company may unload quickly.

John N. Cosgrove, Jr., American, showed slides used in his company's school to illustrate insurance needs. Teaching there is centered on making all students multiple insurance men, making all regard complete insurance protection of each risk the normal procedure.

Latz in Arkansas Field

American has appointed Albert F. Latz special agent, in Arkansas. Latz has been with a local agency in Little Rock.

Large N.E. Turnout at Bretton Woods

(CONTINUED FROM PAGE 21)

at Chicago and removed from the agenda.

The best way for the agent to meet the competition of direct writing companies is to take examples of his own agency's services from its files and tell prospects and insured about them, Follett Greeno, Rochester, past president New York association, declared.

The second afternoon was devoted to golf and sightseeing, followed by dinner, dancing and entertainment. On Saturday Anson Dubois, senior test administrator of Human Engineering Laboratory discussed effective selection of agency personnel, and L. Ray Ringer, Aetna Fire group, "Perpetuating Your Agency." Archie Slawsky, Nassau, N. H., was in charge of arrangements, and he and E. G. Robinson, executive secretary New Hampshire association, who worked on program and arrangements, both did a splendid job.

Agency Equipment

A number of agencies have installed I.B.M. equipment or use the facilities of the I.B.M. service bureaus. C. H. Mahan, manager of the I.B.M. fire and casualty insurance department, said. Agents, like companies, are searching for ways of reducing costs. The I.B.M. service bureaus are located in most key cities, and have equipment necessary to do a complete accounting job for the agency. Number of premium transactions, accounting and record keeping requirements and costs determine whether an agency is a service bureau or a machine prospect. The dollar premium volume has an indirect bearing on classifying an agency.

Use of the I.B.M. accounting methods for agency work will realize a number of advantages, he said—increased efficiency and economy; automatic preparation of statements, accounts current or bordereaux, and expiration notices; reduction of accounting peak load; prevention of transcription errors; rapid, automatic computation of commissions; improved appearance of statements; improved control of expirations; experience data and statistical reports provided at minimum cost.

Statistical Reports

Helpful statistical reports can be obtained economically and speedily as a by-product of the punched cards used for accounting work. The last few days of the month in most agencies the work piles up and the bookkeeping department under the manual method falls far behind the policy writing department. Mr. Mahan quoted John V. Earls of the Earls Blain agency of Cincinnati, that he has one clerk punching cards approximately two hours each day with the exception of the end of the month and his agency handles 4,000 premium entries a month.

International Business Machines demonstrated its latest equipment for local agencies, and Joseph Warren, IBM manager at Concord, aided Mr. Mahan in demonstrating the equipment.

Kinzer New President of Virginia Agents

(CONTINUED FROM PAGE 21)

taxed the same as private business. Mr. Evans urged business men to get into politics and tell their congressmen that they are tired of being taxed while their competitors get off tax free.

There are five essential elements to making a sale, E. H. Kingsbury, Royal, said in discussing "The Value of an Insurance Education to the Local Agent." These are knowledge of product, of how it should be used, of the needs of the user, of the company the agent represents, and of the person or concern to whom he is selling.

Knowledge of the product and how it

should be used look innocent enough, but there is a vast difference between knowledge needed to sell a vacuum cleaner and that required properly to fit an insurance program to a risk initially, let alone properly servicing it on engineering, audit and claims. The agent who confines himself to what he can learn from experience and discards the learning possible through books, limits his current effectiveness because it takes so much longer to learn through experience.

Mr. Kingsbury suggested a reasonable portion of an agent's time be spent in studying such things as engineering, audit, claim, and insurance law through texts and other sources as written by specialists in these fields. This gives an immediate working knowledge in proportion to the degree of application. It is knowledge that makes insurance a professional calling.

Carter Cup to Richmond

The Bernard P. Carter cup given to the local board rendering the most outstanding service during the year went to the Richmond association.

Preceding the opening session, there was a breakfast sponsored by the education committee and presided over by its chairman, Theo. W. Kelley. Speaker was Wayne W. Thompson, assistant dean of the American Institute, who

explained the requirements for C.P.C.U. certification.

Greetings to the members were delivered by Courtney W. Harris, Virginia deputy commissioner; Harold Pennington, vice-president of the Casualty & Surety Underwriters Assn. of Virginia, and William P. Hundley, president of the Stock Fire Field Club.

New state organization directors elected at the business session are J. B. Morgan; Hampton; Thomas W. Henderson, Norfolk; William H. Branch, Richmond; Charles Crowder, South Hill; T. Stanley Goodridge, Danville; Reginald W. Wood, Roanoke; William Lineweaver, Harrisonburg; Layman M. Kelley, Arlington, and H. M. Elliott, Abingdon.

Rochester Loss Small

There was less than \$10,000 insurance each on building and contents of the four story brick warehouse at Rochester, N. Y., that was destroyed by fire, and the total insurance loss probably will be less than \$15,000. The warehouse was occupied by two waste material dealers, L. Atkins Co. and Rochester Surplus Merchandise, Inc. There was a common ownership of the two companies and one of the officers owned the building.

Every Successful Accident Insurance Man has this Problem!

"How will my Good Friend 'Bill' take it, when I must tell him his long standing Accident Insurance Policy can no longer be renewed on account of his Age. In all the past years, never a claim. He won't understand it"



It's No Problem!
Refer those expiring policies to

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NO AGE LIMIT

**For Men or Women — Employed or Retired
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Weekly Indemnity. Also Medical Reimbursement
Reasonable Rates.**

DON'T LET "BILL" DOWN!

1948 Fidelity and Surety Experience Is Given

Nationwide fidelity and surety experience results in 1948 have been released by the New York department. The figures were compiled by the department from casualty expense exhibits filed by companies licensed in New York state. They show country-wide earned premiums and incurred losses on a net premium basis after reinsurance. Incurred losses are based on case estimate reserves and exclude allocated claim expenses.

Because of fluctuations in premium volume from year to year, the department has adjusted expense ratios so as to relate certain types of expenses to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes.

There is a notable rise in premiums written in the 1948 figures, and the loss ratio for both fidelity and surety on an incurred to earned basis is up several points. Total fidelity premiums written by companies licensed in New York last year were \$65,456,513. The surety total is \$77,690,367.

SURETY

Big Crowd at Chicago Party

The spring golf party of Surety Underwriters Assn. of Chicago at Tom O' Shaner Country Club drew 70 members and guests. There was a dinner and card games in the evening.

L. E. Williams, who is moving to Oklahoma City, July 1 as bonding manager for Hartford Accident, was presented with a gift from the association by President B. J. Nietschmann, National Surety.

The golf winners were Roland Miller, F. & D., and R. E. Hall, bond broker with F. & D.

Jack Thorn, National Surety, was chairman of the arrangements committee, assisted by Jack Phelan, Maryland Casualty, and R. W. Fuerman, F. & D. Mr. Fuerman walked off with the blind bogey golf prize.

Coast Bids Are Opened

Kemper Construction Co., Los Angeles, was low bidder at \$1,111,563 on construction of the Baldwin Hills reservoir at Los Angeles. U. S. F. & G. branch office is on the bid bond.

Del E. Webb Construction Co., Phoenix, Ariz., was low bidder for construction of a 200-bed general hospital for veterans administration at Phoenix, with a price of \$3,467,000. Maryland Casualty is on the bid bond.

Fort Wayne Firm on Carpet

Practice of Auto Collision, Inc., Fort Wayne, Ind., automobile repair firm, of advertising and accepting fees for auto repair contracts has been ordered halted by the Indiana attorney general's office, which stated that the firm was offering insurance by issuing a policy disguised as a contract, and the annual fee was nothing less than a premium charge for the protection offered. Activity of the firm was brought to official attention by Fort Wayne Assn. of Insurance Agents.

Kinder Takes Decatur Post

Robert L. Kinder has been named general agent for Massachusetts Protective and Paul Revere Life at Decatur, Ill. Mr. Kinder has been a home office supervisor for General American Life, traveling out of Springfield, Ill. The agency he has taken over is composed of 10 full-time agents.

Pennsylvania Life, Health & Accident has opened a district office at Jacksonville, Fla., with John Gary as district manager.

FIDELITY

STOCK COMPANIES

	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fld. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
Accident & Casualty	61,470	53,191	109.5	57.1	-66.6	23.6	15.8	12.1	1.0	4.6
Aetna Casualty	3,180,814	2,206,809	29.0	61.0	10.0	11.8	29.4	16.9	.3	2.6
American Auto	170,555	88,518	73.6	83.3	-56.9	15.7	27.0	36.7	1.4	2.6
American Casualty	157,565	143,654	20.9	63.8	15.3	8.8	25.1	22.6	1.8	5.5
American Employers	531,941	390,668	38.2	51.8	10.0	7.5	32.0	9.5	.8	2.0
American Guarantee	344,262	226,631	47.9	42.0	10.1	17.0	14.6	6.4	.9	3.1
American Motorists	257,109	193,427	38.0	51.3	10.7	7.0	34.6	8.3	.3	1.1
American Surety	3,484,178	2,847,986	20.3	59.7	20.0	13.0	22.7	20.0	1.8	2.4
Associated Indemnity	16,872	31,229	9.3	52.2	38.5	10.8	23.7	10.9	1.8	5.0
Bankers Ind.	13,936	8,984	69.9	50.9	-20.8	7.6	12.7	20.3	6.0	4.2
Car & General	4,827	2,871	391.0	121.4	-412.4	11.1	8.1	93.6	3.5	5.1
Central Surety	185,274	179,324	35.0	45.1	19.9	7.2	17.8	15.8	.8	3.5
Century Indemnity	635,753	469,677	40.5	52.4	7.1	8.8	30.7	10.7	.9	1.3
Columbia Casualty	223,758	206,259	22.9	46.0	31.1	7.3	24.4	10.5	1.0	2.8
Commercial Casualty	273,057	201,029	60.5	60.7	-21.2	12.9	24.2	19.3	1.5	2.2
Continental Casualty	969,694	628,704	36.3	54.9	8.8	10.6	19.6	22.2	.3	2.8
Eagle Indemnity	151,597	111,095	23.1	54.8	22.1	9.2	26.7	14.8	.8	3.5
Employers' Liability	728,456	577,038	48.3	81.1	9.1	23.5	9.9	1.2	.2	2.6
Fidelity & Casualty	2,531,480	1,706,611	27.3	56.6	16.1	10.5	20.9	21.2	1.8	2.2
Fidelity & Deposit	7,559,950	5,582,870	28.4	58.9	12.7	9.3	33.6	12.5	.6	2.9
Fireman's Fund Ind.	688,765	515,634	38.1	47.0	14.9	4.7	18.3	18.2	.9	4.9
Gen. Acc.	12,318	8,400	12.1	29.1	58.8	.3	13.3	9.2	3.5	2.8
General Casualty, Seattle	353,204	275,375	38.1	39.4	22.5	6.9	23.9	5.2	.3	3.1
Glens Falls Indemnity	323,871	217,781	35.0	54.8	10.2	6.5	20.0	23.5	.8	4.0
Globe Indemnity	909,580	666,569	23.1	54.4	22.5	9.2	26.3	14.8	.8	3.3
Great American Indemnity	604,031	450,500	36.3	51.8	11.9	6.2	24.8	15.7	2.5	2.6
Guar. of N. A.	125,192	119,887	81.3	81.1	-29.4	5.4	42.0	30.9	.2	2.9
Hartford Accident	4,028,110	2,645,249	34.6	49.5	15.9	5.8	19.8	21.0	.5	2.4
Home Indemnity	455,296	300,691	29.5	49.0	21.5	14.5	16.8	13.3	1.4	3.0
Indemnity of N. A.	1,972,328	1,521,836	31.1	38.7	30.2	8.5	15.0	12.9	.5	1.8
International Fidelity	66,918	60,807	5.7	70.0	24.3	.3	4.2	63.8	...	1.7
London Guar.	41,933	26,539	78.7	65.0	-43.7	10.8	10.9	36.7	1.9	4.7
London & Lancashire Indem.	54,809	39,924	36.8	49.8	13.4	10.0	15.3	18.1	1.8	4.6
Manufacturers' Casualty	116,137	112,274	39.4	56.7	3.9	7.5	26.8	17.9	.7	3.8
Maryland Casualty	2,792,618	1,952,744	43.9	50.7	5.4	8.2	26.8	11.2	1.3	3.2
Massachusetts Bonding	1,338,607	1,081,167	32.7	50.7	16.6	9.9	25.4	12.2	.4	2.8
Merchants Indemnity	...	187	...	...	...	...	...	...	...	...
Metropolitan Casualty	157,849	144,694	13.5	53.3	33.2	8.5	24.7	15.6	1.2	3.3
National Casualty	35,064	22,608	26.2	112.6	-38.8	28.5	22.6	56.1	2.0	3.4
National Surety	5,293,851	3,828,949	32.3	53.9	13.8	8.5	24.4	13.6	.5	2.9
New Amsterdam Casualty	1,223,236	1,073,554	17.9	46.7	35.4	6.7	26.7	9.9	.3	3.1
New England Casualty	9,958	4,550	36.1	193.8	-129.9	3.6	14.0	166.2	6.5	3.6
New York Casualty	1,081,359	851,264	21.0	61.1	17.9	13.5	22.7	20.9	.6	3.4
Ocean Accident	314,363	261,040	34.2	42.8	23.0	7.1	21.0	11.1	.7	2.9
Peerless Casualty	411,813	226,393	19.7	32.7	47.6	8.7	22.2	6.1	.3	1.4
Phoenix Indemnity	45,165	26,698	19.0	55.0	26.0	8.7	16.3	24.6	1.7	3.7
Preferred Accident	44,558	39,762	51.6	69.7	-21.3	.5	36.2	31.2	1.3	.5
Royal Indemnity	833,782	611,022	23.1	54.6	22.3	9.2	26.5	14.8	.8	3.2
St. Paul Mercury Indemnity	699,475	491,767	52.2	43.1	4.7	9.9	16.4	10.5	.8	5.5
Seaboard Surety	810,581	618,767	27.9	52.2	19.9	8.3	27.1	9.5	4.6	2.7
Standard Accident	1,123,628	849,834	30.3	59.8	9.9	10.1	29.0	17.2	.6	2.9
Sun Indemnity	49,561	44,514	44.3	41.0	15.7	15.2	13.4	17.2	1.2	4.5
Travelers Indemnity	1,374,073	876,027	30.1	64.2	10.7	10.9	32.4	16.5	.5	2.9
United National Indemnity	31,744	30,459	37.6	55.2	-22.8	6.1	20.5	52.8	2.1	3.7
United States Casualty	291,965	196,139	20.2	63.5	16.3	1.0	31.5	27.7	.3	3.0
U. S. Fidelity & Guaranty	5,883,417	4,259,997	29.7	45.0	25.3	4.9	25.4	10.8	.8	3.1
U. S. Guarantee	926,522	177,076	40.6	49.4	10.0	15.6	34.0	56.5	1.4	9.9
Yorkshire Indemnity	81,602	69,012	-4.7	27.8	76.9	3.4	18.2	3.5	.1	2.6
1944 Totals	38,762,367	37,966,710	14.8	55.8	29.4	7.2	29.3	15.1	.7	3.5
1945 Totals	56,525,293	37,602,907	17.9	53.4	23.7	7.6	24.9	16.9	.7	3.3
1946 Totals	37,419,985	37,345,440	19.7	57.9	22.4	7.8	30.1	16.0	.3	3.2
1947 Totals	35,006,280	39,273,338	22.9	57.9	8.5	30.3	14.1	.7	.3	3.2
1948 Totals	56,148,369	41,154,861	31.0	53.4	15.6	9.0	24.7	15.9	.8	3.0

MUTUAL COMPANIES

	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fld. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Mutual Liability	172,333	163,158	52.6	15.9	31.5	11.3	-33.3	34.4	-1	3.6
Employers' Mutual Liability	47,692	46,509	36.8	60.0	3.2	13.8	-35.3	72.1	1.2	8.2
Farm Bureau Mutual Auto	1,954	3,098	-42.8	60.6	82.2	-5.3	-23.6	85.0	.5	4.0
Liberty Mutual	932,081	814,659	43.9	33.1	23.0	11.9	8.7	3.4	7.0	2.1
Lumbermen's Mutual Casualty	599,904	451,312	36.4	38.8	24.8	7.1	22.2	6.5	.8	2.2
Nat'l Grange Mutual Liability	20,219	16,903	15.2	49.3	35.5	5.0	32.7	8.6	.2	2.8
Security Mutual Cas., Ill.	101,500	77,028	8.2	61.4	30.4	-4	55.7	4.6	...	7.7
1944 Totals	1,226,022	1,141,330	29.0	27.1	43.9	7.9	1.2	15.6	.2	2.2
1945 Totals	1,249,692	1,174,913	46.0	29.9	26.1	9.4	4.1	10.3	1.7	2.4
1946 Totals	1,329,458	1,269,038	28.2	31.2	40.6	8.8	7.7	10.2	2.6	1.9
1947 Totals	1,595,092	1,421,746	44.6	34.0	21.4	7.9	11.8	7.8	4.3	2.2
1948 Totals	1,875,683	1,572,667	40.2	36.7	23.1	9.9	10.8	9.8	3.8	2.4

REINSURANCE COMPANIES

	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fld. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Reinsurance	1,527,424	1,194,681	47.5	44.1	8.4	...	36.9	5.6	.2	1.4
Employers' Reinsurance	1,195,731	1,071,023	31.1	56.2	10.7	3.0	49.2	2.7	.3	1.0
European Gen'l Reinsurance	2,414,983	1,620,342	32.1	50.2	17.7	2.5	46.0	1.4	.1	2.7
Excess	235,168	156,311	41.5	54.1	4.4	2.3	40.0	9.1	...	2.7
General Reinsurance	1,932,072	1,360,882	32.1	47.5	20.4	1.2	41.7	2.7	.1	1.8
No. Amer. Cas. & Sur. Reins.	127,083	85,488	45.6	24.0	2.7	26.6	.9	...	...	...
1944 Totals	4,195,571	3,660,646	21.2	52.6	26.2	1.1	45.8	4.2	.2	1.3
1945 Totals	5,812,504	3,964,648	29.9	49.6	20.5	1.3	42.4	4.6	.2	1.1
1946 Totals	4,453,750	4,094,708	30.4	50.3	19.3	1.8	42.9	4.1	.2	1.3
1947 Totals	5,053,681	4,652,275	34.0	49.8	16.2	2.4	43.3	2.9	.2	1.0
1948 Totals	7,432,461	5,488,727	36.1	48.6	15.3	1.7	42.5	3.1	.2	1.1

SURETY

STOCK COMPANIES

	Net premiums written \$	Net premiums earned \$	Losses incurred to earned %	Exp. sup. to (adj.) %	Net gain (adj.) %	Claim exp. to earned %	Acq. & fld. sup. to written %	Gen. adm. to earned %	Insp. & bur. to earned %	Taxes & fees to written %
Accident & Casualty	61,354	64,758	3.8	65.5	30.7	11.7	35.8	10.6	.9	6.5
Aetna Casualty	4,893,192	3,449,149	2.4	58.2	39.4	2.2	38.2	14.6	.4	2.8
American Auto	74,471	41,532	42.1	84.5	—27.6	10.2	32.9	39.0	1.0	1.4
American Casualty	435,718	389,571	17.0	60.8	22.2	4.2	35.1	16.4	1.2	3.9
American Credit Indemnity ..	2,547	1,710	...	...	...	...	...	...	...	...
American Employers'	807,871	675,410	15.2	60.8	24.0	4.3	43.4	9.4	.9	2.8
American Motorists	96,491	79,016	148.7	64.1	—112.8	14.5	38.0	8.4	.6	2.6
American Surety	2,539,574	2,190,812	9.3	57.5	33.2	2.7	30.6	20.2	.6	3.4
Associated Ind.	24,203	33,355	38.5	53.2	8.3	6.3	29.9	11.3	1.7	4.0
Bankers Indemnity .....	...	10	...	...	...	...	...	...	...	...
Car & General	16,946	19,504	3.7	89.8	6.5	23.8	24.0	34.2	4.0	3.8
Central Surety	676,710	547,233	5.5	53.5	41.0	1.3	27.6	19.5	.9	4.2
Century Indemnity	824,358	787,521	10.1	60.2	29.7	5.2	40.5	10.6	1.0	2.9
Columbia Casualty	200,079	190,106	—1.3	45.9	55.4	3.8	26.6	10.5	2.2	2.8

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Taxes & fees to written

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	Net premiums		Losses		Exp.		Und erwriting Ratios		Claim		Expense Analysis		Taxes & fees to written	
	written	earned	incurred to earned	Exp. (adj.)	Net gain (adj.)	%	%	%	exp. to earned	Acq. & fd. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	%	%
Commercial Casualty	223,255	192,299	-2.8	56.9	45.9	4.2	32.1	16.8	1.4	2.4				
Continental Casualty	2,576,999	1,988,744	15.3	60.1	24.6	9.4	29.5	18.4	7	2.1				
Eagle Indemnity	89,389	96,513	42.9	60.8	-3.7	6.6	36.4	13.8	7	3.3				
Employers' Liability	692,803	591,294	56.2	59.6	-15.8	5.7	39.3	10.1	1.5	3.0				
Fidelity & Casualty	2,210,904	1,747,617	13.5	56.4	30.1	5.0	33.5	14.4	1.8	1.7				
Fidelity & Deposit	5,787,645	4,928,710	5.6	53.7	40.7	3.2	35.9	10.5	1.2	2.9				
Fireman's Fund Indemnity	980,651	892,487	18.1	51.0	30.9	4.1	27.9	14.8	8	4.1				
General Casualty, Seattle	984,542	733,185	33.9	47.9	18.2	6.2	31.2	6.1	3	4.1				
General Trans. C. & S.	762	851	-2	-1	99.9		-8.0	4.7	1	3.1				
Glens Falls Indemnity	1,067,465	920,533	9.5	56.8	33.7	5.2	32.0	13.7	1.8	4.1				
Globe Indemnity	536,334	579,076	42.9	60.9	-3.8	6.6	36.5	13.8	7	3.3				
Great American Indemnity	863,251	783,424	16.3	60.6	23.1	3.5	38.0	15.7	3	2.6				
Guarantee of N. A.	83,876	67,674	11.0	84.2	4.8	2.9	53.2	26.6	1	1.4				
Hartford Accident	4,319,752	3,704,831	14.9	55.9	29.2	5.0	28.4	19.0	1.0	2.5				
Home Indemnity	264,698	234,915	8.8	62.9	28.3	8.6	34.3	16.3	1.4	2.3				
Indemnity of N. A.	1,403,922	1,196,344	13.4	49.2	37.4	5.3	27.9	12.5	1.3	2.2				
International Fidelity	9,537	10,306	-11.3	58.4	52.9		1	56.1		2.2				
London Guar.	51,460	38,143	-11.9	56.4	55.5	4	27.8	23.2	1.2	3.8				
London & Lancashire Ind.	175,959	167,143	-7.8	62.9	44.9	6.9	33.2	19.0	9	2.9				
Manufacturers Casualty	642,501	524,530	8.3	64.9	26.8	3.1	35.9	20.2	7	3.1				
Maryland Casualty	4,405,160	3,549,787	7.1	54.1	38.8	6.7	33.4	10.2	9	2.9				
Massachusetts Bonding	1,995,912	1,706,077	26.2	47.8	26.0	1.1	30.2	12.4	4	3.7				
Merchants Indemnity	56,271	46,826	19.3	52.4	38.3	1.6	39.6	7.3		3.9				
Metropolitan Casualty	271,977	238,070	16.0	46.3	37.7	2.8	28.8	11.6	8	2.3				
National Casualty	53,956	47,653	19.2	57.6	23.2	9.7	29.2	13.9	1.4	3.4				
National Surety	4,234,847	3,673,524	7.0	67.4	25.6	6.8	39.6	16.1	1.3	3.8				
New Amsterdam Casualty	1,463,683	1,205,292	6.3	52.7	41.0	9.8	31.2	8.9	3	2.5				
New England Casualty	58,286	34,963	-25.4	92.6	32.8	4.8	36.7	47.4	6	3.1				
New York Casualty	788,144	721,488	8.8	56.4	34.8	2.5	30.6	19.2	5	3.6				
Ocean Accident	126,264	113,318	-2.3	51.5	50.8	5.8	30.7	11.3	8	2.9				
Peerless Casualty	739,483	666,584	22.2	48.8	29.0	1.8	38.3	6.1	3	2.3				
Phoenix Indemnity	57,035	40,915	16.3	66.5	17.2	7.4	25.6	26.8	1.7	5.0				
Preferred Accident	59,184	55,690	-1.8	63.1	38.7	11.6	120.3	28.8	2.2	2.9				
Royal Indemnity	491,640	530,820	42.9	61.0	-3.9	6.6	36.6	13.8	7	3.2				
St. Paul Mercury Indemnity	1,840,246	1,735,755	9.1	47.7	43.2	3.0	29.8	11.4	6	2.9				
Seaboard Surety	1,891,941	1,482,364	23.7	60.5	15.8	8.3	22.7	10.3	10.3	3.9				
Standard Accident	2,719,268	2,202,317	4.4	59.4	36.2	7.3	37.4	15.4	1.6	2.7				
Sun Indemnity	55,206	56,453	14.8	53.3	31.9	14.9	25.9	7.5	1.1	3.9				
Travelers Indemnity	2,185,102	1,768,916	22.4	62.3	15.3	6.0	38.2	14.2	1.5	2.4				
United National Indemnity	80,215	57,287	22.0	76.3	1.7	6.6	27.4	36.9	1.7	3.7				
United States Casualty	449,891	419,804	8.9	53.1	38.0	1	24.8	52.0	8	2.9				
U. S. F. & G.	8,033,311	7,080,341	18.6	50.4	31.0	2.4	33.7	10.8	1.0	2.9				
U. S. Guarantee	1,954,765	1,728,692	4.4	54.7	40.9	2.6	19.4	27.2	6	4.9				
Yorkshire Indemnity	315,800	257,810	4.3	73.9	21.8	28.3	40.4	2.7	0	2.5				
1944 Totals	33,816,558	36,784,172	7.9	58.4	33.7	5.7	34.2	14.3	1.0	3.2				
1945 Totals	35,039,866	34,888,087	-9	58.5	42.4	5.6	33.5	15.4	9	3.1				
1946 Totals	44,589,186	38,103,166	-3.8	61.5	42.3	5.6	34.4	17.3	1.1	3.1				
1947 Totals	53,494,786	46,008,296	7.8	61.2	31.0	6.4	35.4	15.3	1.1	3.0				
1948 Totals	67,445,806	57,079,652	13.1	56.1	30.8	4.7	33.1	14.1	1.2	2.0				

MUTUAL COMPANIES

	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fd. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Mutual Liability...	1,712	1,619	.0	16.1	83.9	.0	9.1	7.0	.0	.0
Liberty Mutual	490	328	-0	1.2	98.8	.0	.0	.0	.0	1.2
Lumbermen's Mutual Casualty	225,146	184,372	152.9	53.7	-106.6	14.7	29.2	8.8	2	7
Security Mutual Cas., Ill.	204,562	186,502	59.7	38.1	2.2	.1	32.3	5.5	.0	.2
1944 Totals	39,547	44,259	34.4	40.2	25.4	2.9	35.1	.9	.3	1.0
1945 Totals	70,379	51,074	35.8	43.8	20.4	3.0	33.6	6.2	.2	.8
1946 Totals	137,447	92,754	38.2	40.5	21.3	4.2	18.3	15.6	.1	2.3
1947 Totals	266,738	212,568	68.9	36.6	-5.5	4.6	19.4	10.3	.3	2.0
1948 Totals	431,910	322,821	112.6	47.0	-59.6	8.5	30.6	7.3	.1	.5

REINSURANCE COMPANIES

	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fd. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Reinsurance	2,095,520	1,667,615	34.4	50.2	15.4	.0	42.9	5.6	.3	1.4
Employers Reinsurance	1,687,089	1,188,127	23.6	61.9	14.5	3.3	53.5	3.4	.3	1.2
European Gen. Reinsurance	3,234,130	2,534,362	43.8	52.0	7.0	4.2	46.5	1.2	.1	2.4
Excess	803,213	536,237	65.0	58.8	-23.8	8.5	38.4	9.1	.1	2.7
General Reinsurance	1,991,139	1,518,908	22.7	51.0	26.3	2.3	43.2	2.6	.1	1.9
N. Amer. C. & S. Reinsurance	1,560	4,260	139.8	-57.3	17.5	47.7	-109.4	.0	4.2	.2
1944 Totals	2,892,606	3,491,775	35.3	62.2	2.5	2.8	53.5	3.6	.2	1.1
1945 Totals	2,911,850	2,852,639	8.8	54.5	36.7	3.0	46.0	4.1	.2	1.2
1946 Totals	4,548,321	3,547,831	-8.7	51.9	56.8	1.5	43.9	4.8	.2	1.5
1947 Totals	6,312,250	4,997,120	13.3	55.3	31.4	3.4	47.1	3.6	.2	1.0
1948 Totals	9,812,651	7,449,509	34.7	53.7	11.6	3.3	45.6	3.4	.2	1.2

Leslie at Los Angeles

LOS ANGELES — William Leslie, general manager of National Bureau of Casualty Underwriters, and Rollo E. Fay, manager of the Pacific Coast branch of the bureau, addressed Casualty Insurance Assn. of Southern California and held a short conference with the Southern California Acquisition Cost Conference.

Mr. Leslie discussed the functioning of rate regulation in the various states and the problems that confront the bureau in its contacts with the insurance departments.

Mr. Leslie was on his way to the annual meeting of N.A.I.C. and stopped at San Francisco en route to Seattle.

New Shoemaker Company

U. S. Insurance Company that has been organized in Texas is a reciprocal and the interests are about the same as those that organized U. S. Trust & Guarantee of Waco. That is, A. B. Shoemaker is president of the latter company and is attorney-in-fact of U. S. Ins. Co. There is a federal prohibition against the use of the name "United States" or "Federal" in any corporate title, but apparently there is no prohibition of the initials "U. S."

Richard Murray, superintendent of Employers Liability U. S. home office forms department, is visiting London for the purpose of setting up a system for exchanging information on forms and policies with the head office. He

is accompanied by Mrs. Murray. They will be in London for two weeks and will return in the middle of July. Mr. Murray made another trip to England in 1938 when he was given a reward trip by Employers.

Pays Initial Dividend

Pan American Casualty of Houston has paid an initial dividend of 50 cents a share June 10 to stock of record June 1.

Hewitt to National Union

National Union Fire has appointed Herbert W. Hewitt as special agent in Wayne county, Mich., to assist Manager L. C. Nichols with headquarters in the National Bank building, Detroit. He is a native of Detroit. Following more than three years in service, he was with Michigan Inspection Bureau and more recently has been a field man.

Heagney Named at Fresno

Hartford Fire has expanded its Fresno, Cal., office and has named John T. Heagney as an additional special agent associated with J. C. Muir. Mr. Heagney has been with Hartford since his discharge from the army in 1946 and has had training in the Pacific Department.

A. & H. Managers Assn. of San Francisco conducted its annual play day June 17 at the California Golf Club. There was a dinner in the evening.

Plan All-Industry Luncheon

Dallas Insurance Agents Assn. will have an all-industry luncheon in August in lieu of its regular membership

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Show Cincinnatians How to Make Premiums Grow

CINCINNATI — How an agency may build up a substantial premium from an average fire and extended coverage dwelling risk was shown in an informative manner by S. W. Schellenger, agency superintendent, and C. M. Hebble, Cincinnati manager, of Buckeye Union at an educational meeting sponsored by Cincinnati Fire Underwriters Assn. Taking an average dwelling carrying a fire and E. C. premium of \$50 for three years, the speakers built up the premium to the total of \$281.93. They gave an illustrated presentation, explaining, rating and selling the various types of coverage which appeal to the average home owner.

"Sell complete protection and give the best proposition possible," Mr. Schellenger urged, in giving four selling fundamentals: Quote completely, be sure your customer understands, give the right kind of claim service, and collect the premium. The customer should be thought of as an individual, with proper consideration of all of his insurable hazards. The agent must do a better basic sales job and to do this, he must improve his knowledge. Present day selling requires an engineering type of selling on each customer, he stated. Most mercantile risks are reasonably insured to value, but many dwellings are still underinsured.

Briefly reviewing current legislation, A. M. O'Connell, president, in opening the meeting, stressed the necessity of constant vigilance on the part of agents. He mentioned the bill which would set up a state fund to make payments to injured persons in accidents on the same benefit scale as workmen's compensation. It would be financed by a \$15 tax on each private passenger operator and a \$30 tax on each truck operator. He said the bill has good chances of passage. It provides that if an insurer rejects, without approval of the assured, an offer to settle within the limits of the policy, it would be liable for the entire judgment. Mr. O'Connell praised Buckeye Union for its action in vigorously backing passage of the new agents licensing bill.

U. of Wis. Seminar in Aug.

MADISON, WIS. — Wisconsin Assn. of Insurance Agents is again co-operating with the school of commerce of University of Wisconsin in arranging a fire and casualty insurance seminar on the campus the week of Aug. 15. Richard E. Farrer, educational director of N.A.I.A., will conduct the seminar. The three units will be agency ownership, office management and building agency prestige. Erwin A. Gaumnitz, insurance professor at the school, is in charge of arrangements. The total cost of board, room and tuition for the seminar is \$35, payable in advance. Both Prof. Gaumnitz at the university, and Urban Krier, executive secretary of the Wisconsin association at Milwaukee, are accepting registrations.

Give Texts to College

LANSING—Formal presentation was made by representatives of Michigan Assn. of Insurance Agents of a set of insurance textbooks to Michigan State college. The texts were received by Dr. John Hannah, president of the college, with John Goodell of the state association's education committee, and Waldo O. Hildebrand, secretary-manager, representing the organization. Commissioner Forbes of Michigan also was present for the ceremony.

The college has received the texts just in advance of the staging on the

campus of the association's annual insurance institute June 27 to July 1 which is expected to have an enrollment of more than 100. Carl Strong, insurance education coordinator at the college, is taking an active part in plans as is Mr. Hildebrand. The instructors will be 12 insurance experts.

New Minn. Petroleum Code

ST. PAUL—Acting under authority given them by the last legislature, Commissioner Harris, as state fire marshal, and his deputy, Leonard Lund, have drafted the state's first official code of rules for handling, storage and transportation of gasoline and petroleum products, including propane and butane.

So far only the petroleum industry's own adherence to regulations recommended by National Board has controlled the handling of petroleum products. "The regulations we have drafted, with the cooperation and help of the industry, will not force any changes in the practices that now are standard," Mr. Lund said.

One thing the code definitely will do is to ban self-service gasoline stations such as are having a vogue on the Pacific Coast.

SOUTH

Plans for Seminar at U. of Arkansas Approved

LITTLE ROCK—The new executive committee of Arkansas Assn. of Insurance Agents, appointed by President Leon Wertz, Fort Smith, held its first meeting here and approved plans submitted for the annual seminar, sponsored by the association, to be held at the University of Arkansas, Fayetteville, in August. The committee also discussed preliminary plans for celebrating the 50th anniversary of the association next May. A special committee consisting of J. Roy Donham, Little Rock; L. R. Martin, Pocahontas, and C. C. Mitchener, Marianna, three veteran past presidents, was authorized to proceed with development of a history of its 50 years of progress.

The board took under advisement the matter of misleading advertising being published in various newspapers by certain non-association agents relative to the new motor vehicle responsibility law. Some of the advertising, it was reported, was so worded as to create the impression in the public mind that it is a compulsory insurance law. This misconception, in some instances, it was stated, is stirring up opposition to the new measure.

Members of the new executive committee are: C. E. Olvey, Pocahontas; Forrest D. Annen, Hot Springs; Warren Means, Pine Bluff; A. V. Ormond, Morrilton; Gordon Davis, Stephens; Thompson Hargraves, Sr., Helena; P. G. Brown, Fort Smith; E. Grainger Williams, Little Rock; and Leavell R. Smith, Stuttgart.

New committee chairmen announced by President Wertz are: Accident prevention, Cecil Cleaver, Fort Smith; agents conference committee, H. F. Murphy, Pine Bluff; casualty, W. J. Springer, Texarkana; public relations, J. F. Gillespie, Carlisle; finance, C. S. McNew, Jr., Pine Bluff; constitution revision, L. R. Martin, Pocahontas.

Agency Total 450 Years

The members of the Coleman & Co. agency, San Antonio, have a record of a total of 450 years in the insurance business. F. M. Coleman has completed 46 years; J. A. Hall 38 years, and L. B.

Joyce 34 years. All are members of the firm. Elmer J. Edwards, manager of the A. & H. department, boasts 40 years of service, during which time he has never sold a policy of any other type than A. & H. The other 17 members of the organization have been in the business from one to 30 years.

Rushin Moves South

Home has transferred Robert F. Rushin, assistant secretary, from the New York metropolitan department to the southern department in an administrative capacity.

Mr. Rushin started with Virginia Rating Bureau. He became special agent for Home in Virginia in 1930 and was transferred to the home office in 1938. He entered the army in 1943 and was separated with the rank of major. He was elected assistant secretary in 1947.

EAST

R. D. Watts Heads New W. Va. Local Association

R. D. Watts was elected the first president of Beckley (W. Va.) Assn. of Insurance Agents at the inaugural meeting. Mr. Watts is a past president



R. D. WATTS

of the West Virginia Assn. of Insurance Agents and a past chairman of the legislative committee of the National association. He is now chairman of the conference committee of the West Virginia association.

Other officers of the Beckley association are H. U. Sloan, vice-president, and W. Edwin Ratcliffe, secretary-treasurer.

Wind Deductible Stymied

According to the report, Commissioner Knowlton of New Hampshire has reiterated his opposition to the use of a mandatory windstorm deductible in the state. He held an informal closed hearing recently with representatives of New Hampshire Board of Underwriters and New Hampshire Assn. of Insurance Agents. New Hampshire Board proposed the wind deductible a year ago but no formal action has been taken on it. The agents are firmly opposed to such a step.

Jamestown Board Elects

E. Donald Smith was reelected president of Jamestown (N.Y.) Fire & Casualty Underwriters Assn. at its annual meeting.

Vice-president is Charles L. Rowley,

Jr.; secretary, C. William Glaz, and treasurer, Mrs. Sally Johnson.

COAST

No Insurer Has Qualified Under Mont. Surplus Law

Commissioner Holmes of Montana has notified the motor carrier division of Montana board of railroad commissioners that so far neither Lloyds nor any other unlicensed insurer has complied with the new surplus line law. He recommends that the board refrain from accepting any Lloyds policies until it is ascertained that that underwriters have complied with the new law. The surplus line law requires that any insurer desiring to operate under the surplus line law must appoint the insurance commissioner as attorney for service of process. So this has not been done by any underwriting group, Mr. Holmes states.

The commissioner goes on to say that any insurance that is issued by a Lloyds group, except under the surplus line law, would be governed by a 1935 statute which bars any foreign insurer from operating in the state without being licensed. If a company complies with the surplus line law, coverage may be written by a surplus line agent without the insurer first being licensed, otherwise the underwriting is barred by the provisions of the 1935 law.

Attorneys for London Lloyds have submitted a form of power of attorney to be executed by London Lloyds, which has been approved by the Montana commissioner. It is expected to be filed by the underwriters after final approval in London, which is expected at an early date.

Tentative Setup for Wash. Agents' Meeting Announced

Tentative plans have been completed for the annual meeting of Washington Assn. of Insurance Agents Aug. 28-30 at Olympic Hotel, Seattle. Thomas A. Harman is general chairman.

A dinner meeting of the executive committee and local board presidents will be held the evening of Aug. 28. There will be a full day session Aug. 29 featuring John C. Stott, N.A.I.A. president; Frank C. Colridge, general manager of Pacific Board; Herbert H. Kirschner, public relations counsel, San Francisco; George W. Clarke of Clarke, Clarke & Albertson and one or two other speakers yet to be named.

The banquet will be held Monday evening, Aug. 29. The morning of Aug. 30 there will be a two-hour panel discussion on the newly-enacted Washington financial responsibility law. Among the speakers will be Robert D. Williams, attorney and author of the act, and three Seattle agents, H. P. Sargent, R. C. Jenner and one yet to be named.

There will be a golf tournament the afternoon of Aug. 30, followed by a cocktail party and buffet dinner-dance.

Honor N.A.I.W. President

Insurance Women's Assn. of Seattle honored Gladys Main of Frank Burns, Inc., newly-elected president of National Assn. of Insurance Women, at a cocktail party, followed by a dinner meeting, at which J. B. Wilcox, special agent in charge of the Seattle office of FBI, spoke.

Guests included representatives of various local insurance organizations, as well as delegates from the Spokane, Portland and Tacoma women's clubs.

Denver Assn. of Insurance Agents held its annual golf and summer party at Park Hill Country Club June 16.

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Home of
JOEL CHANDLER
HARRIS



The house in Atlanta where the creator of Uncle Remus lived for twenty-seven years

TWO WRENS who set up housekeeping in the mailbox gave Joel Chandler Harris's home its name. Rather than disturb the little tenants who returned each year, he once took a distinguished visitor around to the rear entrance.

The man who won world-wide renown for his Uncle Remus stories always insisted that his success was entirely accidental. The "accident" that launched his newspaper career at the age of fourteen was securing a job as printer's devil on *The Countryman*. While setting type he managed to include articles he had written and soon became an acknowledged contributor.

After his marriage he was working on a newspaper in Savannah when a yellow fever epidemic caused the population to flee. At the Atlanta hotel where he took his family he registered as "J. C. Harris, one wife, two bow-legged children, and a bilious nurse." His humor was so cheering to the panic-stricken guests that the hotel refused to render a bill.



The Tar Baby story is perhaps the best loved

Harris and his family remained in Atlanta and in 1876 he went to work for the *Constitution* where another "accident" occurred. When a staff writer left, his column was assigned to Harris who introduced Uncle Remus, a character of his own invention. The result was a long succession of Uncle Remus fables and songs which were published in book form and to the modest author's amazement, received with wide enthusiasm.

With his profits Harris was able to enlarge the Wren's Nest where he had brought his increasing family some years earlier, but despite his fame he never abandoned his simple habits. Painfully shy and sensitive, Harris was uneasy with strangers, yet his kindness and sense of humor made him beloved. He shunned publicity and when making an appearance with his good friend Mark Twain was too bashful to read his stories aloud. With great difficulty he was per-



Uncle Remus was a composite of several real persons

suaded to visit President Theodore Roosevelt who later wrote, "All of our family agreed that we had never received in the White House a pleasanter friend or a man whom we were more delighted to honor."

As a youth, Harris worked in New Orleans for a time but homesickness for Georgia drove him back and he never again left for more than a brief stay.

The Wren's Nest where Joel Chandler Harris lived until his death is today maintained by the Uncle Remus Memorial Association.

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